

Governance and Service Delivery in Eastern and Southern Africa:

Issues for Debate, Directions for Research

by Patrick Bond and Horacio Zandamela¹

1. Introduction

1.1 The state, society, need satisfaction and participation

What can research bring to the understanding of governance in Africa? How can research make a difference? What are the strategic entry points for the Centre? What are other donors, African researchers and institutions already doing in the area and how can IDRC bring added value to the field?

These questions, posed by the IDRC, flow from the following concerns:

- how local populations can become citizens;
- how local institutions of participation can be built; and
- how these "new citizens" can be engaged in activities and politics of local governance, delivery of services, and local social and economic development.

The term "governance" is subject to debate. A comprehensive list of its features would include:

- greater accountability (financial and political) of public officials, including politicians and civil servants;
- transparency in governmental procedures and processes;
- a concerted attack on corruption;
- predictability in governmental behaviour and in the political system;
- rationality in governmental decisions;
- competent auditing of governmental transactions;
- drastic curbing of bureaucratic red tape
- elimination of unnecessary administrative controls, to plug avenues for rent-seeking;
- free flow of information;
- encouragement of a culture of public debate;
- institution of a system of checks and balances within the governmental structure;
- decentralisation of government;
- respect for human rights;
- judicial autonomy and the rule of law;
- establishment of a reliable legal framework;
- protection of property;
- enforcement of contracts;
- capacity-building for technocrats; and
- consultation and participation with all affected stakeholders.²

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² Mkandawire, T. and C. Soludo (2000), *Our Continent, Our Future: African Perspectives on Structural Adjustment*, Dakar, Codesria; Ottawa, IDRC; and Trenton, Africa World Press, p.47.

Governance associated with the delivery of state services is the focus of this paper, and the perspective offered firmly advocates the lattermost function: *empowering citizen/worker organisations to self-activate development and control the provision of services, with appropriate state support, functions and resource transfers*.³

Empowerment comes primarily through *collective* self-organisation, strength and savvy (not merely through enhanced individual entrepreneurialism, as was fetishised in many previous models). Thus this question was recently posed, and answered, by World Bank president James Wolfensohn:

What is it that the poor reply when asked what might make the greatest difference to their lives? They say, organisations of their own so that they may negotiate with government, with traders and with NGOs. Direct assistance through community-driven programmes so that they may shape their own destinies. Local ownership of funds so that they may put a stop to corruption. They want NGOs and governments to be accountable to them.⁴

We take "services" to mean access to the basic developmental goods that all mature, democratic states seek to ensure are available to their citizenry. Ideally, a state assures its society's achievement of the most widely-accepted indicators of individual and social "need-satisfaction." Whether implementation occurs by states themselves, non-governmental or community-based organisations, private-sector firms, mutual aid systems, or even extended kinship networks is a matter for investigation, but there should be no question that robust citizenship and human dignity entail state-society relations that have as a foundation the potential for satisfaction of basic human needs.

For without basic needs being met, the concept of citizenship is a chimera, a delusion. Doyal and Gough list 11 categories of human needs: 1) food and water, 2) housing, 3) work, 4) physical environment, 5) health care, 6) childhood needs, 7) support groups, 8) economic security, 9) physical security, 10) education, 11) birth control and child-bearing.⁵ For our purposes in this paper, there are a large set of state services provided (albeit intermittently) in Eastern and Southern Africa, for which at some future stage there are genuine possibilities of assuring community/worker consultation, participation and even control in service delivery, in a context in which satisfaction of basic needs is affordable and logistically feasible. These include, in varying degrees, water/sanitation, shelter and electricity, public works employment projects, primary healthcare, education and roads.

Because these are extremely wide-ranging areas of service-delivery, with enormous amounts of diverse (public, private and community) activities associated with the production, distribution and consumption of the

³ In South African parlance, the phrases "strong but slim state" and "working-class civil society" inform the perspective of this paper. The most powerful account of "civic struggles for a New South Africa" is Mayekiso, M. (1996), *Township Politics*, New York, Monthly Review.

⁴ World Bank (2000), "Sourcebook on Community Driven Development in the Africa Region: Community Action Programs," Africa Region, Washington, DC, 17 March, coverpage.

⁵ Human needs, according to Doyal and Gough, include the following:

<u>Category of human need</u>	<u>Satisfier characteristics</u>	<u>Available sample indicators</u>
1) food and water	appropriate nutritional intake	calorie consumption, access to safe water, malnutrition rates, low birthweights
2) housing	adequate shelter, space and services	percentage homeless and in inadequate shelter, rates of sanitation facilities, rates of persons/room
3) work	non-hazardous environment	incidence of hazards, deaths and injuries from work-related accidents or diseases
4) physical environment	non-hazardous environment	percentage who experience concentrations of pollutants
5) health care	access to appropriate care	medical staff/beds per capita, percent lacking access to services, percent not immunised
6) childhood needs	security, childhood development	percent of children abandoned, abused or neglected
7) support groups	presence of others	no reliable indicators
8) economic security	security	percent in absolute poverty, percent in relative poverty, percent with no protection against contingencies
9) physical security	safe citizenry, safe state	rates of homicide, of crime victims, and of victims of war or state violence
10) education	access to cultural skills	rates of education, years of formal study, rates of specified qualifications
11) birth control and child-bearing	safe and hygienic conditions	access to contraception and abortion, maternal mortality rate

Doyal, L. and I. Gough (1991), *A Theory of Human Need*, London, Macmillan.

services, we focus in the Appendix case-study on the issue of *access to water* in South Africa. And we highlight ways that community participation has contributed to--*but also detracted from*--good governance in this area. Focusing particularly on South Africa's ongoing water/health crises, we find the most universal prerequisites for need-satisfaction--namely, social-policy *advocacy* and associated research--are raised by the challenge of governance, particularly insofar as citizen participation can be enhanced.

Albert Wight has posed the problem of understanding participation as follows:

The most neglected and least understood aspect of development assistance--facilitating recipient participation in the development process--is the most critical with respect to sustainable development. Much has been written on the need for participation, but very little on how it has been achieved. Too often donors assume the process will take care of itself.⁶

Indeed over the last decade or so, there has emerged a vast, vibrant international academic and practitioner literature that relates (and sometimes conflates) participation, governance, inclusion, state services decentralisation, empowerment, mutual aid and the informal sector.⁷ Some of the best material is drawn from--and is explicitly devoted to--uneven experiences of democratisation and development in Africa.⁸ The Africa literature review by Maria Nzomo of Codesria for the IDRC establishes the following conclusions about the optimal normative approach:

Processes of political renewal that emphasise participatory governance will involve the granting of political choices to the citizens, the promotion by governments of an active rather than reactive role for the people in political affairs, the encouragement of institutional pluralism, and the fostering of self-government through governmental decentralisation and communal empowerment.⁹

The single most influential international development agency, the World Bank, has itself promoted and nurtured participation since the mid-1980s through studies, consultations with NGOs and active integration of civil society organisations in microproject, sectoral and macro-level work, the temporary convening of a Participatory Development Learning Group, culminating in a 1994 *Strategy Paper* and 1996 *Sourcebook* (followed subsequently

⁶ Wight, A. (1997), "Participation, Ownership and Sustainable Development," in M.Grindle (Ed), *Getting Good Government*, Cambridge, Harvard University Press.

⁷ A select list of important international works traversing these themes might include: Alden, J. (1996), "Urban Development Strategies: The Challenge of Global to Local Change for Strategic Responses--An International Perspective," *Habitat International*, 20, 4; Burgess, R., M.Carmona and T.Kolstee (1997), "Contemporary Policies for Enablement and Participation: A Critical Review," in R.Burgess, M.Carmona and T.Kolstee (Eds), *The Challenge of Sustainable Cities: Neoliberalism and Urban Strategies in Developing Countries*, London, 2ed; Castells, M. and A.Porter (1989), "World Underneath: The Origins, Dynamics and Effects of the Informal Economy," in M.Castells, A.Porter and L.Benton (Eds), *The Informal Economy: Studies in Advanced and Less Advanced Countries*, Baltimore, Johns Hopkins University Press; Evans, P. (1996), "Introduction: Development Strategies across the Public-Private Divide," *World Development*, 24, 6; Moser, C. (1995), "Urban Social Policy and Poverty Reduction," *Environment and Urbanisation*, 7, 1; Swyngedouw, E. (1997), "Neither Global nor Local: 'Glocalisation' and the Politics of Scale," in K.Cox (Ed), *Spaces of Globalisation: Reasserting the Power of the Local*, London, Guilford Press; Rakodi, C. (1995), "Poverty Lines or Household Strategies: A Review of Conceptual Issues in the Study of Urban Poverty," *Habitat International*, 19, 4; Wilson, P.A. (1997), "Building Social Capital: A Learning Agenda for the Twenty-First Century," *Urban Studies*, 34, 5-6.

⁸ Representative works from a variety of perspectives, focused on Africa, include Ahmed, A., M.Ghaffar and W.May (Eds) (1998), *Environment and Sustainable Development in Africa: Some Critical Issues*, Basingstoke, Macmillan Press; Ake, C. (1993), "The Unique Case of African Democracy," *International Affairs*, 69, 2; Bayard, J.F. (1993), *The State in Africa: The Politics of the Belly*, London, Longman; Chabal, P. and J.P.Daloz (1999), *Africa Works: Disorder as Political Instrument*, London, James Currey; Chitere, O.P. (1994), *Community Development: Its Conceptions and Practice with Emphasis on Africa*, Nairobi, Gideon S. Were Press; Hyden, G. (1997), "Democratisation and the Liberal Paradigm in Africa," *Africa Insight*, 27, 3; Hyden, G. and M.Bratton (1992), *Governance and Politics in Africa*, Boulder, Lynn Reiner; Rasheed, S. (1995), "The Democratisation Process and Popular Participation in Africa: Emerging Realities and the Challenges Ahead," *Development and Change*, 26; Sandbrook, R. and M.Halfani (1993), "Empowering People: Building Community Civil Associations and Legality in Africa," *Proceedings of an International Conference of Civil Associations in Arusha, Tanzania*, Toronto, Center for Urban and Community Studies, University of Toronto.

⁹ Nzomo, M. (2000), "Governance in Africa: An Overview," Paper presented to IDRC Workshop on Governance, Ottawa, 7 September, p.27.

by a fad-type peak and fade in official Bank interest).¹⁰ Evaluating participation has also become an important subdiscipline, with an emphasis on participatory action research, action-learning, and results-based management.¹¹

Broadly, this literature has unveiled two very different orientations: strategies based upon an "instrumental approach" (or "project orientation") to participation in development processes, on the one hand, and on the other, strategies based more upon an "intrinsic" approach (or "human development orientation") that values participation as itself a goal. The instrumental approach has been criticised as "planner-centred participation" and worse, "pseudo-participation" aimed mainly at co-option.¹² To illustrate, the instrumental objectives of World Bank participation programmes are to "improve quality, effectiveness and sustainability... [and] strengthen ownership and commitment," with the result that participation is "found to be particularly important in reaching the poor."¹³ In all these respects, participation is pursued as a means to an end, so long as planners direct, control and monitor stakeholder participation.

The World Bank's (March 2000) 'Sourcebook on Community Driven Development in the Africa Region--Community Action Programs' captures the contradictions associated with the instrumental approach explicitly:

Water Supply in Villages, Towns and Urban Centers:

...Twenty-five years ago handpumps designed for North American farmsteads were installed in villages across Africa. They all broke down shortly after being installed. Twenty years ago robust handpumps and centralized maintenance was introduced. All the pumps broke down within one year and took months to repair. Donors were spending more and more money to maintain what was installed and less and less on new facilities.

Fifteen years ago, community based management and user friendly handpumps were introduced, together with VIP latrines. Communities had to manage and pay for the maintenance of their handpumps. The approach was received with great skepticism by sector ministries: "Villagers can't possibly maintain a pump." Today community based management is accepted by all sector professionals across Africa as the only sustainable approach to village water supply and sanitation (with construction of low cost latrines) and increasingly to town water supply. Demand responsiveness where communities choose the facilities they want, decide

¹⁰ Given its powerful role in donor coordination in Africa, both positive and negative examples will be drawn from Bank experience in the pages below, although the Bank's own best-practice case study list includes only Country Assistance Strategy participation in Kenya and Malawi. Key documentation of Bank activity (chronologically ordered) includes Cernea, M. (1985), *Putting People First: Sociological Variables in Rural Development*, Oxford, Oxford University Press; Paul, S. (1987), *Community Participation in Development Projects: The World Bank Experience*, Washington, DC, World Bank; Salmen, L. (1987), *Listen to the People*, New York, Oxford University Press; Bamberger, M. (1988), *The Role of Community Participation in Development Planning and Project Management*, Washington, DC, World Bank; Bhatnagar, B. and A. Williams (1992), *Participatory Development and the World Bank*, Washington, DC, World Bank; Picciotto, R. (1992), *Participatory Development: Myths and Dilemmas*, Washington, DC, World Bank; Gerson, P. (1993), *Popular Participation in Economic Theory and Practice*, Washington, DC, World Bank; Hentschel, J. (1994), *Does Participation Cost the World Bank More?*, Washington, DC, World Bank; World Bank (1994), *Social Development Papers*, Washington, DC, World Bank; World Bank (1996), *The World Bank Participation Sourcebook*, Washington, DC, World Bank; ; World Bank (1997), *The State in a Changing World: World Development Report 1997*, New York, Oxford University Press; Robb, C. (1998), "Can the Poor Influence Policy?: Responding to the Challenge of Inclusion through Participatory Poverty Assessments," Washington, DC, World Bank; Clark, J. and W.Dorschel (1998), "Civil Society Participation in World Bank Country Assistance Strategies," Washington, DC, World Bank; and Girishankar, N. (1998), *Reforming Institutions for Service Delivery: A Framework for Development Assistance with an Application to the HNP Portfolio*, Washington, DC, World Bank.

¹¹ See, e.g., Guba, E. and Y.Lincoln (1989), *Fourth Generation Evaluation*, London, Sage; Fetterman, D., S.Kaftarian and A.Wandersman (Eds) (1996), *Empowerment Evaluation: Knowledge and Tools for Self-Assessment and Accountability*, London, Sage; and Jackson and Kassam (Eds) (1998), *Shared Knowledge: Participatory Evaluation in Development Cooperation*, West Hartford, Kumarian Press.

¹² Michener, V. (1998), "The Participatory Approach: Contradiction and Co-option in Burkina Faso," *World Development*, 26, 12.

¹³ World Bank (1994), *The World Bank and Participation*, Washington, DC, World Bank.

how to manage and finance them, and pay part of the capital cost is also widely accepted as fundamental to sustainability.¹⁴

In short, the instrumental appropriation of participation discourse follows from a simple conclusion: it works. (Later, we question this assertion, using leading-edge South African water-services practice.) From this conclusion, a shift from local project design to national policy reform logically follows. For if it is accepted that communities should benefit from a "sustainable" and "demand-responsive" strategy based on their own "choices," then state support to water schemes, via subsidies, should—as a matter of policy, regardless of affordability—be terminated, in favour of full cost-recovery. As the same document therefore self-mandates the World Bank, "We need to ensure that all countries have clearly defined policies." But the essence of the water-delivery policy promoted is cookie-cutter neoliberalism:

... work is still needed with political leaders in some national governments to move away from the concept of free water for all... Promote increased capital cost recovery from users. An upfront cash contribution based on their willingness-to-pay is required from users to demonstrate demand and develop community capacity to administer funds and tariffs. Ensure 100% recovery of operation and maintenance costs...¹⁵

As we see below, the instrumentalist approach to participation has had devastating consequences for water-service delivery in South Africa, because it generated a cholera crisis of unprecedented scope, with devastating impact on women-headed rural households, on children and youth, and on HIV+ people.

In contrast, the intrinsic approach—sometimes termed "people-centred development"—highlights self-activity and self-actualisation, either on an individual, community, workforce or organisational basis. But as we will see, context is crucial. Ironically, perhaps, one of the most sophisticated statements yet drafted to this end (although not yet published) is from the World Bank's Office of the Chief Economist, by David Ellerman. Drawing together ideas of Alinsky, Friere, Dewey, Lasch and many other philosophers and strategists of social change, Ellerman advocates a paradigm shift towards self-managerial development strategies.¹⁶ We take these latter directions to be more consistent with both practical problem-solving in development-related participation, and more hopeful for the broader challenge of empowerment.

But as noted below, a decontextualised focus on people-centred development can potentially lead to what has been termed "neoliberal populism," in which NGOs take over service-delivery functions previously reserved for state agencies, as part of the overall destruction of state capacity associated with the past two decades of Third World development. Cases of neoliberal populism in the water sector are considered below. In trying to avoid this necessarily disempowering phenomenon, the orientation adopted here is not merely about project-level people-centred development, but about the conditions, strategies, tactics and alliances associated with social-policy advocacy required to advance social progress beyond mere participation in the decay of the state-society social contract.

The *seriousness* with which participation occurs in a development process is, naturally, a critical variable in determining whether power is being transferred and exercised by beneficiaries. The World Bank's Social Development Department considers six levels of participation ranging from least to greatest influence: information sharing; consultation; joint assessment; shared decision-making; collaboration; and empowerment. It is widely recognised that information dissemination, consultation and assessment can sometimes merely serve as palliatives or co-optive tactics, and that deep-rooted strategies that level power relations are required to assure meaningful decision-making, collaboration and empowerment.

But if the distinctions made above are correct, we can augment the typologies of participation with a simplistic "first-cut" matrix as follows:

Conflicting Views of Participation		
perspective on participation	community-development philosophy	state administrative hierarchy and financial design

¹⁴ World Bank, 'Sourcebook on Community Driven Development in the Africa Region: Community Action Programs,' Annex 2.

¹⁵ World Bank, 'Sourcebook on Community Driven Development in the Africa Region: Community Action Programs,' Annex 2.

¹⁶ Ellerman, D. (2000), untitled, unpublished mimeo, Washington, DC, World Bank.

instrumental	community choice and self-management	promote decentralisation and rely on outsourcing of delivery (so as to "tame" a distant, bloated bureaucratic welfare state), and support full consumer cost-recovery to assure sustainability
intrinsic	"people-centred development" assuming citizenship and universal (rights-based) entitlement to basic needs, and "strong but slim state"	centralise fiscal resources (to facilitate redistribution and transfers) and set minimum national standards, but decentralise programme planning and implementation (with penalty for delivery failure), based upon sufficient subsidy to meet capital/recurring expenses

Is it possible to either reconcile or synthesise these approaches? According to a recent internal review of World Bank participation strategies,

The Bank originally adopted a more instrumentalist approach to participation, but some staff clearly believe in the intrinsic approach to participation... The difference between the two orientations, views of human behaviour, development paradigms, and approaches to participation are embodied in the Bank and its participation strategy paper... The strategy paper did not resolve the debate and resulted in a compromise. Both positions were labeled as participation.¹⁷

But such conflation cannot disguise a fundamental contradiction: if "participation" is too closely associated with the imposition of state-shrinking social policies, it is possible that not only will the reduction of state spending on policies be rejected (with consequent political dangers to ruling parties), but that cynicism and opposition will emerge to the very notion of participation in development. Thus, whether instrumental or intrinsic, any approach to participation has to be contextualised within the broader context of the political economy of development, so as to avoid participation quickly degenerating into demobilisation, alienation and conflict. To establish why this is the frequent outcome in donor-driven development processes, a richer analysis is required of variables such as local/national political background, structural economic processes, gender/race/ethnic/class relations and the existing capacity and ideological orientation of states and civil-society organisations. Space constraints do not allow a full analysis, although such argumentation is well established.¹⁸

1.2 Structure of the paper

Instead, the strategy we adopt to investigate concerns of governance and participation in Eastern/Southern African service delivery entails several kinds of commentary, through reference to some of the leading organic intellectual commentaries on African development and politics. For example, it may well be asked at the outset, do African populations today retain any serious *expectations* of service provision from their governments, in view of the collapse of the state apparatus in many areas, or alternatively in light of the converse problem of patrimonial or patronage-based delivery of services?

And what difference do donors make to governance, particularly when aimed primarily at improved technical delivery and financing (including public-private partnerships, accountability and transparency), in view of the emergence of local "political" obstacles to effective and equitable provision of services? As the IDRC notes, "the politics of service provision are not articulated or analysed in a way that makes them meaningful for policy and practice." Making sense of such local-level politics requires us to consider the broader upsurge in civil society groups—especially radical urban and rural social movements—which sometimes take a dual form: they are both a result of desperation survival tactics during adjustment, and a potentially liberatory force due to their ability to shake up local (and national and perhaps soon global) power structures.

Diversity of experience is, naturally, a barrier to a simple set of arguments and answers. There were, across the region, simultaneous and parallel experiences with national development plans which went awry, and

¹⁷ World Bank (2000), "OED Participation Process Review: Design Paper," Washington, 23 August, p.16.

¹⁸ The original version of this paper provided a lengthy structural analysis, which can be referenced (or accessed on request through pbond@wn.apc.org); the best sources for such an analysis, however, are Mkandawire and Soludo, *Our Continent, Our Future*, and Osei-Hwedie, K. and A. Bar-on (1999), "Sub-Saharan Africa: Community-Driven Social Policies," in D. Morales-Gomez (Ed), *Transnational Social Policies*, Ottawa, IDRC and London, Earthscan.

these require contextual explanation to separate internal from external factors--both kinds of factors reflect a highly unfavourable balance of forces for genuine, participatory development and governance. For unfavourable politics of development played out even in highly-politicised, relatively wealthy South Africa. Here, as noted above, advocacy is a crucial component of social progress, so we conclude by providing a contemporary example of tough analysis from developmental civil society organisations, an example which links global, regional and local concerns associated with the need for adequate provision of water.

This draft sets out more general areas of enquiry into service delivery and governance in developing countries, particularly in Eastern and Southern Africa. In doing so, the conclusion poses and tentatively answers the following questions: What kind of research readily grapples with these difficult problems, and would be relevant in diverse Eastern and Southern African contexts? What are the main issues surrounding service provision in the context of governance and provision of public goods, especially associated with water (whose gender, public health and environmental components are of enormous importance)? What are the state-of-the-art conceptual frameworks (and associated methods)? What is the role of donors? What gaps remain?

To set the stage, it is crucial to acknowledge the nature of the economic crisis in Africa over the past several decades, so as to avoid "victim-blaming" or scapegoating African leaders (still a popular pastime amongst some Northern observers).¹⁹ Persistently worsening terms of trade²⁰ meant that, according to the most far-ranging study of average African terms of trade (by Elbadawi and Ndulu), the income loss during the 1970s and 1980s was nearly 4% of GDP, about twice as high as that of other developing countries.²¹ Likewise debt repayment drained the continent, with African countries paying \$162 billion more to the North than they received in new loans in 1997, up from \$60 billion in 1990.²²

Given the role of the international economic treadmill in underdeveloping Africa, a premise of the argument below is that the structural economic crisis faced by African governments and societies remains formidable, and hence *any attempt to merely tinker at grassroots level through enhanced governance, without making a direct contribution to the reversal of adjustment, could be as self-defeating as a bandaid on a cancer sore*. Allowing the problem to fester only makes it worse, for the state of economic decline and resulting dependency upon foreign donors appears to have become even more intractable the more that globalisation intensifies uneven world development.

As expressed by South African president Thabo Mbeki in a recent speech,

Many of our [developing] countries, including all those on our Continent, do not have and are unlikely to have in the foreseeable future, the strength themselves to determine on their own what should happen to their economies. The more they get integrated into the world economy, the further will this capacity be reduced, making them more dependent on the rest of the world economy with regard to meeting the challenge of ending poverty within their countries.²³

The complex reactions of state and civil society to this state of dependency and systematic underdevelopment are discussed in subsequent sections, for governance in local-level service delivery cannot be divorced from the

¹⁹ Exemplary of banal, victim-blaming argumentation is *The Economist*, 13 May 2000, whose cover story on "The hopeless continent" is subtitled: "Africa's biggest problems stem from its present leaders. But they were created by African society and history."

²⁰ Brown, M.B. and P. Tiffen (1992), *Short Changed: Africa and World Trade*, London, Pluto.

²¹ Elbadawi, A. and B. Ndulu (1996), "Long-run Development and Sustainable Growth in Sub-Saharan Africa," in M. Lundahl and B. Ndulu (Eds), *New Directions in Development Economics: Growth, Environmental Concerns and Governments in the 1990s*, London, Routledge.

²² Jubilee 2000 (1997), "Free Africa of Debt," London. Although between 1984 and 1996 the lowest-income African countries paid \$1.5 billion in repayments--a sum 1.5 times greater than the amount owed in 1980, as a result of compound interest payments--they owe far more today than then. Repayment averaged 16% of African government spending during the 1980s, as compared to 12% on education, 10% on the military and 4% on health.

²³ Mbeki, T. (2000), "Lecture of the President of South Africa, Thabo Mbeki, at Georgetown University, 23 May 2000," at <http://www.gov.za/>.

broader power relations and economic dictates that define the global environment and Africa's insertion into the world economy.

But reflecting the residual hope embodied in the enlightenment character of African nationalism, a final word on political context is due, again from Mbeki in a recent speech to social-democratic activists in Sweden:

All of us, but most certainly those of us who come from Africa, are very conscious of the importance that all tyrants attach to the demobilisation of the masses of the people. At all times, these tyrants seek to incite, bribe or intimidate the people into a state of quiescence and submissiveness. As the movement all of us present here represent, surely our task must be to encourage these masses, where they are oppressed, to rebellion, to assert the vision fundamental to all progressive movements that--the people shall govern!²⁴

²⁴ "Vox Populi--Is it Real?: Speech at the IUSY Festival," Stockholm, 28 July 2000.

2. The People Shall Govern?

African States, Societies, (Donors) and the Local Politics of Service Delivery

2.1 Globalisation, decentralisation and municipal services

Exacerbating the dramatic decline in the overall capacity of African nation-states to deliver basic-needs goods and services over the past two decades of crisis and structural adjustment, is the decay of already-tenuous local state capacity. Without being "Afro-pessimistic" in "reducing the past to a one-dimensional reality... [through] a 'roots of crisis' literature," the Ugandan scholar Mahmood Mamdani nevertheless argues that much of Africa's local-level state administration in rural settings amounted to "decentralised despotism," even prior to the 1980s-90s crisis. Virtually all attempts to reform colonial-era administration Native Authority (and equivalent ethnic-based) systems in Eastern and Southern Africa failed. Even under the best case, Museveni's Uganda, where local-level power relations inherited from centralised-despotic rule had to be thoroughly broken, there remained a "bifurcated" duality of power: between a centrally-located modern state (sometimes directly responsible for urban order in primate capital cities) and a "tribal authority which dispensed customary law to those living within the territory of the tribe."²⁵

With this observation, Mamdani sets the stage for the problem of global-national-local processes:

In the absence of democratisation, development became a top-down agenda enforced on the peasantry. Without thorough-going democratisation, there could be no development of a home market. The latter failure opened wide what was a crevice at Independence. With every downturn in the international economy, the crevice turned into an opportunity for an externally defined structural adjustment that combined a narrowly defined programme of privatisation with a broadly defined programme of globalisation.

Mamdani stresses the debilitating urban-rural (and interethnic) distinctions that were sharpened--and created in many cases--by late-colonial divide-and-rule strategy. But the decentralised despotism he derides in tribal settings also makes an appearance where patronage networks operate in highly-concentrated urban settings. One material basis for this phenomenon is the inability of African states (even one with as formidable a repressive power as late-apartheid South Africa) to manage the extremely rapid--indeed historically unprecedented--urbanisation process witnessed recently in Eastern and Southern Africa. Aware of the dangers, the Ford Foundation, World Bank and University of Toronto sponsored an ambitious Global Urban Research Initiative during the 1990s which unearthed, in crisis-ridden cities, the (mainly) institutional change associated with the emergence of rhetorics of governance and civil society participation.²⁶

In Halfani's review of East African studies, for example, key research themes include what he terms state recalcitrance, civil engagement and informal resilience in Kenya; institutional incongruity, benign tolerance and the resurgence of associations in Tanzania; and state-society partnerships in Uganda.²⁷ Swilling's literature review of Southern Africa highlights transitional South Africa's negotiated reconstitution and reinstitutionalisation; Namibia's excessive centralisation and national-level control of municipal management; the collapse of Mozambique's state machinery and gradual rise of for-profit informal and formal sector economic actors ahead of social movements and communities; and Zimbabwe's rural bias, autonomy for urban municipalities and both fiscal and capacity crises (which in turn presage national political challenges).²⁸

There were just as telling lessons for Eastern and Southern Africa from elsewhere on the continent. In Anglophone West Africa, Onibokun concluded a review with the observation that,

²⁵ Mamdani, M. (1996), *Citizen and Subject: Contemporary Africa and the Legacy of Late Colonialism*, Princeton, Princeton University Press, pp.111,287.

²⁶ See, e.g., Stren, R. (Ed) (1994), *Urban Research in the Developing World: Vol. 2, Africa*, Toronto, University of Toronto Centre for Urban and Community Studies and other collections cited below.

²⁷ Halfani, M. (1996), "The Challenge of Urban Governance in East Africa: Responding to an Unrelenting Crisis," in P.McCarney (Ed), *Cities and Governance: New Directions in Latin America, Asia and Africa*, Toronto, University of Toronto Centre for Urban and Community Studies.

²⁸ Swilling, M. (1996), "Building Democratic Local Urban Governance in Southern Africa: A Review of Key Trends," in P.McCarney (Ed), *Cities and Governance: New Directions in Latin America, Asia and Africa*, Toronto, University of Toronto Centre for Urban and Community Studies. See also Swilling, M. (Ed) (1996), *Governance and Development in African Cities*, Johannesburg, University of the Witwatersrand Press.

Urban poverty is exacerbated by managerial incompetence, inefficiency, ineffectiveness and unresponsiveness. Moreover, a lack of transparency, accountability, responsiveness, institutional legitimacy and popular participation, have combined to weaken the capacity of the state. Few states are able to face the challenges of urban growth effectively.²⁹

The story from Francophone Africa was similar, according to Attahi:

- A strong concentration of power often wielded by a single political party, and a deconcentrated administration during the first two decades of independence;
- Two timid attempts at decentralisation in the early 1960s and 1970s which met with very limited success;
- A third wave of decentralisation at the end of the 1970s and the beginning of the 1980s provoked by lending institutions in search of improved national governance following economic collapses, and with the subsequent support of certain urban elite groups who were impatient to share power;
- A fourth wave of decentralisation at the end of the 1980s and the beginning of the 1990s, supported by independent political forces and involved in the development of the powerful democratisation movement which swept the Francophone regions of the continent.³⁰

Attahi concluded with three pervasive normative lessons: "The redefinition of the role of the commune [local authority] in order to create the necessary room to manoeuvre for civil society; accountability and greater transparency in administrative processes at the local level; and the large-scale involvement of members of civil society."³¹

Amidst the diversity of African governance, there are some universal trends to record, which affect both service delivery potential and the terrain upon which governance can be experienced. Whether in rural, small-town or more urbanised settings, the now-common formula for local administration under circumstances of globalisation, economic crisis and adjustment is a universalising wave of decentralisation under the rubric of "more responsibilities, fewer resources." Central-to-local state subsidies ebbed, as "unfunded mandates" increased. In even relatively wealthy South Africa's case, where urban social movements were as committed to militant advocacy as in any cities in the world, the real decline in central-to-local operating grants from 1991-99 was measured by one state agency at 85%.³² Across the developing world during the 1980s-90s, McCarney notes, there emerged "a mismatch between financial authority and functional responsibility."³³

An appropriate institutional reaction, Akin Mabogunje argues, is for the municipality to capture the informal commercial sector:

By not giving appropriate legal status to the institutional structures familiar to the generality of the populace and to which they can relate, the peoples' participation has been considerably emasculated. By denying the people this participation, the formal imported institution denies itself the legitimacy to raise the revenue required for effective services in the city. But this in

²⁹ Onibokun, A.G. (1996), "Governance and Urban Poverty in Anglophone West Africa," in P. McCarney (Ed), *Cities and Governance: New Directions in Latin America, Asia and Africa*, Toronto, University of Toronto Centre for Urban and Community Studies, p.168.

³⁰ Attahi, K. (1996), "Urban Governance in Francophone Africa," in P. McCarney (Ed), *Cities and Governance: New Directions in Latin America, Asia and Africa*, Toronto, University of Toronto Centre for Urban and Community Studies, p.171.

³¹ Attahi, "Urban Governance in Francophone Africa," p.178.

³² Financial and Fiscal Commission (1997), "Local Government in a System of Intergovernmental Fiscal Relations in South Africa," Midrand.

³³ McCarney, P. (1996), "Introduction," in P. McCarney (Ed), *The Changing Nature of Local Government in Developing Countries*, Toronto, University of Toronto Centre for Urban and Community Studies and Ottawa, Federation of Canadian Municipalities, p.19. See also African contributions in Stren, R. and R. White (Eds) (1989), *African Cities in Crisis: Managing Rapid Urban Growth*, Boulder, Westview Press.

turn serves the purpose of some vested interests in the administration of urban centres that prefer a lack of accountability and transparency. The result is that many functions of urban administration continue to be provided by "informal" institutions that are recognised by the generality of the urban inhabitants, to which they are prepared to make significant financial contributions, and which are transparent and accountable to the people.³⁴

How appropriate is a strategy based upon reifying and imposing formal structures on informal service-delivery systems (e.g. incorporating urban water vendors)? Africa's leading post-modern scholar, AbdouMalik Simone, argues that there are severe limits to the control functions local states can expect to exercise in African urban settings,³⁵ and Jennifer Robinson's appropriation of the Foucauldian administrative/space/power problematic in South Africa warns us of efforts to impose "legitimacy" upon a fundamentally unequal balance of forces.³⁶ The issue, however, is the extent to which informally-commodified systems can be replaced, via social organising and popular demands, with decommodified state services. In a context in which the lacuna of state services has generated for-profit-often mafiosi-style-delivery systems (of which South African taxi transport is perhaps the most exploitative and profit-driven), it will surely require an alliance of communities, workers and progressive state officials to impose a more formal, just, gender-equitable, and environmentally-sensitive alternative.³⁷

Such formalisation-of-the-informal strategies may be popular for large donor agencies (like the World Bank and US Aid) who see, in the desperation caused by African state decay in informal and slum settlements, operative informal markets and high levels of "willingness-to-pay" (e.g., water prices charged by vendors many thousands of times higher than are provided to a smaller and generally higher-income group of residents who are fortunate to be located on the municipal water grid). Nevertheless, in reality, even in low-income African countries, a great deal more urban-managerial attention has recently been paid to attracting large foreign investors than to skillfully formalising the informal through a wide repertoire of exit strategies. One result is that the municipality-towns, cities and especially the mega-city-has become a new unit of analysis, implementation, and control for the purpose of more efficiently imposing adjustment policies.

To illustrate, one senior advisor to the United Nations Conference on Human Settlements, Shlomo Angel, insisted that research and policy agendas should be focused "on creating a level playing field for competition among cities, particularly across national borders; on understanding how cities get ahead in this competition; on global capital transfers, the new economic order and the weakening of the nation-state..." After all, he continued, "The city is not a community, but a conglomerate of firms, institutions, organisations and individuals with contractual agreements among them."³⁸ From such foundations, a challenging edifice of social policy is being constructed. The World Bank's efforts to do so have spanned two decades, taking on far greater energy with the 1986 launch of the New Urban Management Program and a subsequent 1991 policy paper.³⁹

The overall orientation is nearly identical to national-scale austerity, with the Urban Institute and US Aid spelling out the

³⁴ Mabogunje, A. (1995), "Local Institutions and an Urban Agenda for the 1990s," in R. Stren and J. Bell (Eds), *Urban Research in the Developing World: Vol.4, Perspectives on the City*, Toronto, University of Toronto Centre for Urban and Community Studies.

³⁵ See, e.g., Simone, A. (1998), "Between Ghetto and Globe: Remarks on Urban Life in Africa," Paper presented to the conference, Associational Life in African Cities: Urban Governance in an Era of Change, Bergen, Nordic Africa Institute and Christian Michelsen Institute, 28-30 August.

³⁶ See especially the theoretical chapter on states and administrative power in Robinson, J. (1996), *The Power of Apartheid*, London, Heinemann.

³⁷ The possibility for organising such alternatives through community trusts was discussed in the original version of this paper (Appendix 2).

³⁸ Angel, S. (1995), "The Future lies in a System of Competitive Cities," *Countdown to Istanbul*, 1, p.4.

³⁹ World Bank (1991), *Urban Policy and Economic Development: An Agenda for the 1990s*, Washington; for a critique see Jones, G. and P. Ward (1994), "The World Bank's 'New' Urban Management Program: Paradigm Shift or Policy Continuity?," *Habitat International*, 18, 3.

important change in policy thinking in the developing world closely linked to the acceptance of market-oriented economies: the growing acceptance of rapid urbanisation... An emphasis on national economic growth and export-led development will usually mean that new investment resources must be directed to already successful regions and cities... Governments have considerable control over the entire cost structure of urban areas. Public policy should be directed to lowering these costs.⁴⁰

Lowering local-level costs of production—especially by lowering the social wage—is integral to a more direct insertion of "competitive" cities into the world economy. The focus here is not merely on limiting public financing of social services to those deemed to add value (though this is one of the more obvious effects of structural adjustment, and the catalyst for many an IMF Riot). Just as importantly, the New Urban Management Program also highlights the *productivity* of urban capital as it flows through urban land markets (now enhanced by titles and registration), through housing finance systems (featuring solely private sector delivery and an end to state subsidies), through the much-celebrated (but extremely exploitative) informal economy, through (often newly-privatised) urban services such as transport, sewage, water and even primary health care services (via intensified cost-recovery), and the like.

The Government of South Africa's own articulation of this sensibility, in its 1996 *Urban Development Strategy*, is familiar: "Seen through the prism of the global economy, our urban areas are single economic units that either rise, or stagnate and fall together... South Africa's cities are more than ever strategic sites in a transnationalised production system."⁴¹ Thus even in a relatively wealthy country with enormous state capacity (sufficient, once, to build atom bombs), the shift in priorities towards global competitiveness necessarily means a diminished commitment to meeting basic needs. For South African infrastructure policy-makers, one crucial implication of the scale-shift from nation-state to municipal competitiveness is a hesitancy to cross-subsidise local services. As the leading infrastructure-services official in Pretoria put it, "If we increase the price of electricity to users like Alusaf [a major aluminium exporter], their products will become uncompetitive and that will affect our balance of payments."⁴²

Thus globalisation has provided a formidable pressure point not only for intergovernmental fiscal decentralisation and national-local budget cutbacks, but also for interurban entrepreneurial competition; i.e., a "race to the bottom" mentality aimed at attracting investment at all costs, including at the expense of service delivery to low-income residents. Uneven development is only amplified under such conditions. Governance and participation initiatives are consequently held hostage to the presumed demands of elusive foreign investors.

Moreover, as a result of the fiscal crisis of the municipal state, services cutbacks are tragically commonplace. Even in South Africa, water and electricity cuts have been widespread since 1994, notwithstanding the progressive political mandate and enormous backlogs that municipal managers should be attempting to meet (not to mention numerous riots).⁴³ Thus, with even Pretoria unable to meet its citizens' most basic needs, it is reasonable to enquire whether either urban or rural Africans north of the Limpopo River have any legitimate basis, anymore, to expect service provision from their national, regional or local governments. An affirmative answer is a prerequisite to any advocacy work in social policy, but to arrive at such an answer, given the importance of social organisations in forging consciousness, a framework is required to understand trends in local state-society relations in developing countries under socio-economic stress. The point is not only to provide added contextualisation. In addition, because the phenomenon of local alienation from municipalities (and indeed all levels of government) is increasingly universal, critical social movements—whether advocating democracy or alleviation of material grievances—are often harbingers of broader change in Africa.

2.2 The decline of state services and rise of "civil society"

It was in large part because state services have so sharply declined, that the specific notion of "civil society" emerged—simultaneous with its late-1980s Eastern European revival—in African discourses. Since the 1980s, Ake reports,

there has been an explosion of associational life in rural Africa. By all indications, this is a by-product of a general acceptance of the necessity of self-reliance, yielding a proliferation of institutions such as craft centres, rural credit unions, farmers' associations, community-run skill

⁴⁰ Urban Institute (1991), *Urban Economies and National Development*, Report prepared for the US Agency for International Development, Washington, DC.

⁴¹ Ministry of Reconstruction and Development (1995), *Urban Development Strategy*, Pretoria, pp.17,41.

⁴² *Mail and Guardian*, 22 November 1996.

⁴³ Bond, *Cities of Gold, Townships of Coal*, Chapters 3-5.

development centres, community banks, cooperatives, community-financed schools and hospitals and civic centres, local credit unions, even community vigilante groups for security.

Some have welcomed this development as a sign of a vibrant civil society in Africa. It may well be that. However, before we begin to idealise this phenomenon, it is well to remind ourselves that whatever else it is, it is first and foremost a child of necessity, of desperation even.⁴⁴

Swilling confirms that "What is common across the sub-continent is the search for institutionalised participatory modes of governance in response to the generally accepted incapacity of urban governments to meet the urban challenges on their own."⁴⁵ Unfortunately, it seems that "participation," here, is meant to stabilise an intrinsically unworkable arrangement.

Yet an additional dynamic has also been observed in Africa and across the world. Not only has decay in state service delivery and basic-needs satisfaction generated civil society "as a child of desperation." There have also emerged greater levels of local-level social *resistance* to state service deprivation. The two processes cannot be readily disaggregated, for constructive civil-society developmentalism does not mechanically equate to political quiescence, nor do local-level revolts occur without some articulation of concrete demands. IMF Riots, after all, generally stem from cutbacks in subsidies for food, transport, or other services.⁴⁶ At their best, such modes of resistance transcend the traditional social-movement dichotomy between an inward-looking territorial identity on the one hand, and on the other, the rhetoric of broader emancipation (such as the nationalist liberation philosophy celebrated by Ake and Mamdani). The broader set of contemporary movement practices and discourses are, in urban Latin American cases described by Petras and Morley, reflective of new alliances that traverse the standard spheres of production and collective consumption:

The power of these new social movements comes from the fact that they draw on the vast heterogeneous labour force that populates the main thoroughfares and the alleyways; the marketplaces and street corners; the interstices of the economy and the nerve centers of production; the exchange and finance centers; the university plazas, railway stations and the wharves—all are brought together in complex localised structures which feed into tumultuous homogenising national movements.⁴⁷

The main structural factor forging the unity of the Latin American urban poor and the formal working class, Petras and Morley continue, is the economic crisis: "The great flows of capital disintegrate the immobile isolated household units, driving millions into the vortex of production and circulation of commodities; this moment of wrenching dislocation and relocation is silently, individually experienced by the mass of people, who struggle to find their place, disciplined by the struggle for basic needs and by the absolute reign of ascending capital." Under such conditions, which are also germane in urban (and to some degree rural) Africa, the social base for local movements is continually recreated precisely where municipal state services and safety nets fail the citizenry.

For us to faithfully deconstruct positive and negative cases of local governance in service-delivery in South Africa (in the Appendix) it is useful to first theorise the self-identity of social movements (even if that, again, requires reference to the Latin American case). It is not always feasible to specify the construction of social movement "identity." There will be complicating factors, of course: conjunctural features and specific characteristics of ethnicity, patriarchal and matriarchal relations, migrancy and other rural-urban ties, diverse

⁴⁴ Ake, *The Feasibility of Democracy in Africa*, p.47.

⁴⁵ Swilling, "Building Democratic Local Urban Governance in Southern Africa," p.139.

⁴⁶ Peru, Bolivia, Brazil, and Argentina each witnessed a dozen major anti-austerity urban protests during the 1980s; repeated uprisings were experienced in the cities of Chile, Ecuador, the Philippines, Zaire, Jamaica, Morocco, Sudan, and the Dominican Republic; in Venezuela in 1989, security forces killed more than 600 people involved in a single IMF Riot; and there were isolated incidents in dozens of other countries. In the 1990s, these countries were joined by India, Albania, Nepal, Iran, Ivory Coast, Niger, and Zimbabwe, where large-scale IMF Riots broke out.

⁴⁷ Petras, J. and M. Morley (1990), *US Hegemony Under Siege*, London, Verso, pp. 53, 54.

tenure relations in land and shelter, indigenous culture, and many forms of pre-existing authority and social control. Nevertheless, the identity of social movements--and through these, citizenries--can be traced, at least to some extent, through their implicit or explicit strategic orientations.

From experiences with movements in Santiago, Chile, Tironi conceptualised two fields of strategic polarisation that can also be translated to African settings: 1) between a sense of exploitation or exclusion, and 2) between the goals of participation within or breaking from the wider political, economic, and cultural system. Four categories--and prototypical modes of political organisation--result across this matrix of characteristics (Table 1).⁴⁸

Table 1. Identities of Social Movement Constituents

status: objectives:	<u>excluded</u>	<u>exploited</u>
"reformist" change	1	2
"radical" change	4	3

First, those who feel excluded and are anxious to participate more are often supporters of traditional populism (in Latin America, the traditional *pobladores*). Second, those who felt both exploited and anxious to participate more in the system included traditional trade unionists (who have pursued corporatist politics). Third, those who feel exploited by the system and who are interested in its formal rupture include traditional revolutionaries (whether urban Marxist-Leninists or rural Maoist-Guevarraists). Fourth, there are those alienated social forces which are excluded from the system and which also desire its rupture--and which are also, in many cases, engaged in collective subsistence activities that aim towards the construction of an alternative life-style based, at least to some extent, on the economy of solidarity.

It is in this latter category that the most potential exists, around the world, for both constructive local-level governance under conditions of fiscal stress, and more robust critique of the broader problems of structural adjustment. In southeast Mexico, for example, the celebrated Zapatista movement's strategic combination of autonomous municipalities (of which approximately three dozen were established during the late 1990s) and successful demands for resource transfers (e.g., free electricity from state power lines, and land taken in invasions of underutilised plantations and ranches) closely parallel South African social movement visions.

Why would this framework apply to Eastern and Southern African contexts of local-level development politics? One reason relates to resource mobilisation. The main scholars of the IMF Riot, Walton and Seddon, argue that the shrinkage of the state under conditions of structural adjustment generates a "broader trend toward the decline of clientism and, conversely, the growing autonomy of urban low-income groups."⁴⁹ As states lose their patronage capacity to channel social surpluses to supporters, social movements can cast off influences of corporatism and corruption associated with urban and rural civil society under populist regimes. Such autonomy contributes to more generalised political processes, with the potential for transcending spontaneous and unsustainable reactions to economic crisis such as the IMF Riot. As noted below, a variety of more powerful national-scale movements have emerged across the world to critique neoliberal economic policy.

But the decline of municipal resources and state patronage power under conditions of adjustment deserves further reflection, for it also explicitly undermines the local state as a target of mobilisation with respect to local political-party politics. In Brazil, for example, municipal strategies in cities like Porto Alegre, Diadema, Vitoria, Santos, and Itabuna have been, Workers Party (PT) leader Lula insists, "very successful" (Porto Alegre for its model forms of citizen participation in budgets, and Diadema for eliminating slums). Yet the challenge of both governing Sao Paulo (and its surrounding industrial belt, once the PT's stronghold) and nourishing the progressive base proved virtually impossible, given nationally-imposed structural constraints. This was reflected in subsequent PT electoral defeats in the Sao Paulo region. Indeed, at one point in the early 1990s the PT's entire local electoral strategy appeared doomed, as half the PT mayors of three dozen major municipalities either resigned or changed their party affiliation. For Lula, the lesson was to concentrate on running the key municipalities (with 400 out of the country's 5,000 cities and towns as PT electoral targets), but this too became increasingly difficult under conditions of structural adjustment.⁵⁰ Likewise, the recent failure of Mexico City

⁴⁸ Tironi, E. (1987), "Pobladores e Integracion Social," *Proposiciones*, 14. For translation to Southern African conditions, we replace "participating" (reforming) and "breaking" (revolution) as objectives, with promotion of "reformist" versus "radical" reforms, following typologies popularised in the North by Andre Gorz and Gosta Esping-Andersen; in relation to social policy objectives, the latter (more radical) reforms entail more universal, destatified and decommodified systems which reflect, and in turn continue to improve, an ever-stronger balance of social forces from the grassroots and shopfloor.

⁴⁹ Walton, J. and D. Seddon (1994), *Free Markets and Food Riots*, Oxford, Basil Blackwell, p.336.

⁵⁰ Branford, S. and B.Kucinski (1995), *Carnival of the Oppressed*, New York, Monthly Review.

governance was reflected in a dismal national presidential campaign by opposition PDR leader Cuauhtemoc Cardenas.⁵¹

To transcend, therefore, *both* the IMF Riot and a futile version of municipal electoralism, it would seem that the form of local-level organisation, the style of mobilisation, and the durability of the democratic process (or lack thereof) within the social movement must all be carefully considered. While Latin American experiences are most carefully documented (in contrast to Eastern and Southern African examples), the case-study sections of this paper follow closely Tironi's typology of local-level development politics, for contemporary social movements engaged in local-level development virtually all share a similar trajectory.

The origins are typically in deep-rooted forms of community cooperation and networking via mutual aid systems (especially among women). Then, as local grievances become the basis for political mobilisation, groups solidify--albeit in diverse styles--as community-based organisations (with or more often without technical NGO involvement and donor aid, though often taking up unfortunate patriarchal leadership structures and styles). Along the way, such groups may consciously or subconsciously experiment with decommodified, destratified (and environmentally- and gender-sensitive) forms of what we now loosely term "people-centered development" to meet basic needs. Repeated conflicts emerge with state bureaucrats (and also donors) over resources and local-level elites over investment decisions. Eventually, the organisation may evolve as an important social force in contesting national economic policy, even linking up to discuss common strategies and tactics with similar forces in other countries.

The move from the particular to the general is crucial for linking local, national and even regional and global aspects of resistance--and the posing of constructive alternatives--to structural adjustment and neoliberalism. But there remain barriers, one of which is the temptation to assume that by simply injecting local "governance" within a neoliberal framework under conditions of national-level crisis, the result will be sustainable service delivery. This is a particular fetish of some donors, and deserves reflection.

2.3 Donor-driven governance and services delivery

Under circumstances where Northern--particularly corporate--interests have been overwhelmingly dominant in the two-decade long adjustment period and hegemony of neoliberal ideology, and where US, British, French and Italian "tied aid" often promotes services, infrastructure and construction projects associated with privatisation, are Northern donors serious about empowering civil society to grapple with state service delivery options? Debates in Africa are enormously wide-ranging, with demands from civil society emanating along a spectrum from outright privatisation to nationalisation and worker/community control. Yet as might be expected, Northern donors have a relatively narrow agenda.

In spite of a long recent period of global economic prosperity, donor aid by OECD member states accounted for less than a quarter of one percent of their collective GDP in 1998, the lowest figure since statistics began in 1950. As persistent underdevelopment and corruption generated aid fatigue, the real value of North-South aid fell during the 1990s by a third.⁵² On the other hand, for increasingly dependent recipients in sub-Saharan Africa (aside from South Africa), aid/GDP ratios still soared from 6% from 1975-84 to 13% during the early 1990s. Donor aid is sometimes still an explicit wedge into Third World development agendas (one popular early book on the topic was entitled *Aid as Imperialism*).⁵³ Since Thabo Mbeki has raised "dependency" as a formidable barrier to Africa's development, consider aid critic David Sogge's catalogue of the economic agenda behind aid: access to markets, commercial rivalry and acquisition of local primary products. Beneficiaries include

agribusinesses; purveyors of arms, aircraft, vehicles, pharmaceuticals and engineering services; and universities, which accepted African bursary holders... Consultants and other bearers of technical assistance for SSA have accounted for about one-third of all aid flows... [As a result,] public sector management is weakened, due to national policies being segmented into discreet projects designed by and for the aid system; internal brain-drain to agencies from the public service; and aid agencies developing "kingdoms" in specified provinces, cities or "development corridors," thus distorting internal relationships and blocking coherent national policy

⁵¹ Cardenas was widely understood to have won a majority of votes in the 1988 elections; by 2000 his national polling had dropped to 16%, in the wake of two disappointing years as mayor of Mexico City.

⁵² *Financial Times*, 11 November 1998.

⁵³ Hayter, T. and C. Watson (1973), *Aid as Imperialism*, London, Pluto Press.

development... The aid system has shifted accountability toward foreign funders and away from voters and taxpayers, undermining citizen-state reciprocity.⁵⁴

This conclusion is not uncontroversial, for while the influence of donors sounds formidable, a more humble assessment is provided by the World Bank. Foreign aid "has had no net effect on the recipients' growth rate or the quality of their economic policies," according to David Dollar and Craig Burnside in a seminal study of post-1970 donations, which attempts to shift blame for ineffectual neoliberalism to aid recipients. "We got into thinking we could induce countries to reform. But it turns out this was wrong."⁵⁵

There can be no question, nevertheless, of the power and self-interest of the most forceful donors. As former US representative to the United Nations Andrew Young noted when organising his "Constituency for Africa" (against the 1995 Republican Party threat to cut aid), "We get a five to one return on investment in Africa, through our trade, investment, finance and aid. Don't you see, we're not aiding Africa by sending them aid, Africa's aiding us." At the same Constituency for Africa meeting, Washington-based aid consultant Joseph Szlavik warned African aid recipients to "pay more attention to their voting in the United Nations, trying to meet the US position more often than they currently do. By moving forward, African countries will be able to 'win friends and influence people' as the saying goes."⁵⁶

There are opportunistic donors operating in Africa, without a doubt. How, then, can governance be enhanced by donor support, especially when it is aimed at "improved technical delivery and financing" in a context of economic crisis and deep structural imbalances? The issue, as ever, is whose interests the "improved technical support" serves. There are, naturally, donors with a great deal more integrity than those associated with US AID, the French, British and Italian governments, and other agencies whose subsidiary aims are often the forthright promotion of home-based transnational corporate service delivery. For in cases where aid promotes one-track-minded commodification of infrastructure-related services—as for example US AID's US\$10 million grant to the South African government for fast-track municipal privatisation—the resulting studies and pilot projects themselves show merely superficial commitment to governance.⁵⁷

The rubric for some such donor support at the intersection of governance and service delivery is the "public-private partnership." The best single case to consider the donor role at the interface of service delivery and governance is probably South Africa, where the following conditions pertain: an exceptionally generous aid regime; a strong constitutional commitment to achieving socio-economic rights; and a healthy debate about the merits of public services versus public-private-partnership delivery (involving post-apartheid experiences with large British, French, US and Malaysian firms). Yet even in such a setting, donors have not attempted to ensure a level playing field. The most debilitating experience for many South African civil society organisations since 1994 was being unceremoniously dumped by donors, at a time when vast amounts of redirected donor funding for government was going unspent. According to the South African NGO Coalition (Sangoco, an advocacy group with 3,000 member organisations),

Despite the commitment signalled by Government in the *Reconstruction and Development Programme* (RDP), NGOs and CBOs in South Africa have come to experience a massive crisis of unparalleled proportion in the present transition. The root of the crisis lies in the major funding squeeze that the sector is experiencing. Major international donors, corporate and other donors, anticipating the new government would step in to fund this sector have reprioritised their allocation of development finance, withdrawn or claim that they are putting their money in government for the RDP. This has resulted in the sector experiencing a major funding drain and many organisations collapsing.⁵⁸

Yet at the same time, a proliferation of Northern-based NGOs and donor agencies appeared on the scene, with some taking on functions of support to community development once performed by organic South African

⁵⁴ Sogge, D. (1998), "Misgivings: Aid to Africa," *Indicator SA*, 15, 4. See also Sogge, D. (Ed) (1996), *Compassion and Calculation: The Politics of Private Foreign Aid*, London, Pluto Press.

⁵⁵ *Financial Times*, 14 April 1997. See the authors' 1997 summary, "Aid Spurs Growth--In a Sound Policy Environment," *Finance and Development*, 34, 4 and their 1998 book, *Assessing Aid: What Works, What Doesn't and Why*, Washington, World Bank.

⁵⁶ Bond, P (1995), "A Five to One Return," *African Agenda*, 1, 2, March.

⁵⁷ Bond, *Cities of Gold, Townships of Coal*, Chapter 4.

⁵⁸ Submission of the South African NGO Coalition to the Advisory Committee Investigating the Feasibility of the Establishment of a National Development Agency, undated.

NGOs. As a result, South African civil society organisations lobbied strenuously for their own, indigenous donor agency, the National Development Agency (formerly known as the Transitional National Development Trust). However, these agencies represented belated and inadequate responses to the decline in funding, and funding gaps occurred (lasting even through mid-2000), resulting in numerous formal bankruptcies of NGOs and CBOs.⁵⁹

Where donor funding was still available to community-based organisations, co-option of community advocates by donors and transnational corporations often initially muffled and then displaced (into riots) what should have been forthright public-policy dissent, particularly over privatisation of services such as water (the key pilots of Stutterheim and Nelspruit provide worrying precedents). Moreover, although independent evaluations of post-1994 aid to South Africa are only now beginning in earnest, these suggest important influences, particularly in policy formulation associated with increasingly commodified state service provision in which World Bank and allied donors were often responsible for research and drafting processes (the Bank, for instance, claiming in an internal review that it was "instrumental" in a new South African water pricing policy).⁶⁰

More generally, Bank concerns about participation tend to be oriented towards means-to-an-end strategies, as noted at the outset. Bank funding—especially through the \$4.25 million Fund for Innovative Approaches in Human and Social Development—rarely if ever sought to address more fundamental power relations, as might be anticipated by the Bank's concern with assuring "policy credibility" for structural adjustment.⁶¹ Typical Bank evaluation issues are technicist, although most project reviews do not seriously evaluate participation. Gains anticipated through participation relate to public good/service issues, such as excludability, subtractibility, component costs, financing sources and narrow forms of capacity-building (financial/legal) and poverty/gender/indigenous-people analysis. Issues of politics, social values and advocacy are conspicuously absent. Outcomes tend to be limited to issues such as social capital and state-civil society relations (narrowly defined), "commitment," beneficiary satisfaction, accountability, corruption and tax evasion, with little to reflect enhanced political, worker, community, cultural or gender power.⁶² In these respects, participation as promoted by the World Bank does not contradict the trend towards commodified, stratified and gender/environmentally-damaging service delivery, but simply lubricates it.

Given the Bank's role in donor coordination, it is logical to anticipate that other major agencies will follow suit. To take the water sector as a telling example (for reasons suggested in Section 1.1 and the Appendix), there are numerous ways in which the Bank and its soft-loan subsidiary the International Development Administration (IDA) have recently engaged in joint donor work. Rather than contributing to coordinated participation in coherent locally-driven strategies, such Bank-led joint donor work is often, from a Third World perspective, considered a "cartel."⁶³ According to one USAID review,

- In Zimbabwe, the World Bank and DANIDA have funded a Rapid Water Resources Assessment.
- Sida has been approached to co-finance with the World Bank a study on the Pungwe River shared between Zimbabwe and Mozambique.

⁵⁹ *Sunday Independent Reconstruct*, 21 May 2000.

⁶⁰ See, e.g., Bratton, M. and C. Landsberg (1998), "From Promise to Delivery: Official Development Assistance to South Africa, 1994-98," Johannesburg, Centre for Policy Studies; Budlender, D. (1999), "Donor Funding Poses Questions for South Africa," *Budget Watch*, IDASA Budget Information Service, August; Budlender, D. and N. Dube (1999), "Gender and Official Development Assistance in South Africa," in D. Budlender (Ed), *The Fourth Women's Budget*, Cape Town, IDASA; Heard, J. (1999), "Foreign Aid, Democratisation and Civil Society in Southern Africa: A Study of South Africa, Ghana and Uganda," *IDS Discussion Paper* 368; Love, R. (1999), "Changing Aid Patterns in Southern Africa," *Development in Practice*, 9, 3; Bond, P. (2000), *Elite Transition: From Apartheid to Neoliberalism in South Africa*, London, Pluto Press, Chapter Five.

⁶¹ Grabel, I. (2000), "The Political Economy of 'Policy Credibility': The New-Classical Macroeconomics and the Remaking of Emerging Economies," *Cambridge Journal of Economics*, 24, 1.

⁶² As noted above, the exception in Bank work is the unpublished work of Ellerman, some of which is referenced as joint analysis with Stiglitz in the original paper's Appendix 2.

⁶³ One detailed investigation of this phenomenon, in Mozambique, is Hanlon, J. (1993), *Who Calls the Shots?*, London, James Currey.

- In partnership with the World Bank and UNDP, GTZ is giving support to the Namibian Water Resources Management Review that is a project undertaking a comprehensive review of the water resources sector in Namibia.
- The United Nation's Secretary General's Special Initiative on Africa (SIA) includes water as one of its five key elements. In relation to the SIA, a UN Agency Informal Working Group on Water has been formed under the co-chair of UNEP and the World Bank, with current members including, FAO, UNDP, UNDDSMS, UNICEF, WHO, and the Water and Sanitation Program.
- On a national level, the World Bank has been requested by the Government of Angola, to support ongoing preparation activities for a national water sector project.
- There is a significant water resources management component within the ongoing IDA-assisted National Water Development Project for Malawi, which is also supported by the Nordic Development Fund.
- Assistance has been given to the preparation of the water resources management component of the IDA-assisted National Water Development I Project in Mozambique, which focuses on identifying options for developing and managing key international rivers (where Mozambique is a downstream riparian) and on related capacity building needs.⁶⁴

The single most active donor in the water-services sector in Southern Africa may well be Britain's Department for International Development. According to the same study,

On a regional level, DFID is supporting the following water-related research in the region: 1) evaluation and development of guidelines for the use of decision networks at the local and catchment scales; 2) a study of sanitation practices of urban poor, and the policies and resources of agencies, and how they link together in southern Africa and the development of methodology for developing these links for use by others; 3) the development of an early warning system of groundwater drought for vulnerable areas and a menu of actions that could be triggered by that system; 4) provision and dissemination of well focused practical tools to enable engineers and managers to incorporate gender issues effectively into the project cycle for water and sanitation and other infrastructure works; 5) a study on how utilities can use pricing and service differentiation to benefit all and move towards financial sustainability, as well as the development of methodology for structuring service delivery and tariffs to serve low-income customers; 6) development of guidelines to prepare integrated Rural Water Supply and Sanitation Programs, within which projects can be planned for institutional, technical and environmental sustainability; 7) a handbook giving synthesis of research and development findings for planning and implementing community-based productive water points.

These initiatives include promising methodologies on widening government understandings of diverse benefits associated with services delivery. But arguably, they do not go far enough. None of the funders active in the field of water have successfully grappled with the full range of externalities associated with water (or other services). Such externalities have always been established, but rarely quantified, and virtually never brought into policy discourses. That began to change in South Africa in October 2000, when the African National Congress announced a new policy in the wake of a cholera outbreak that infected tens of thousands of low-income black people. As a government document summarised,

The decision to provide free water is based on well recognised socio-economic benefits of providing affordable basic services. The provision of water supply and sanitation in particular makes a direct contribution to the health and well being of the poor and has particular incidence on women who remain mainly responsible for carrying water and using it to maintain a clean and healthy home. It has been demonstrated that the introduction of charges for pure water at even a low rate has resulted in communities resorting to unsafe sources.⁶⁵

In this context, in which the "public good" argument for free water services (see Appendix) became indisputable in South Africa (and many other sites), another issue associated with governance--"public-private partnerships"--

⁶⁴ See Soderstrom, E. (1999), "Donor Involvement in the Water Sector, SADC Region," Unpublished paper, Gabarone, USAID.

⁶⁵ Department of Water Affairs and Forestry (2001), "Discussion Document for Free Water Brainstorming Workshop," 23rd January, Pretoria.

emerged. Indeed, one of the most important debates between states, donors/agencies (especially the World Bank) and civil society organisations—particularly trade unions and community advocacy groups—is whether services privatisation (or outsourcing, management contracts and the like) serves the public interest, and if not, whether participation should occur, or whether boycotts and resistance are more appropriate. The technical character of the debate has become extremely important, and as a site of potential research is worth a brief discussion.

2.4 State services, privatisation and regulation

The very rationale for state delivery of many types of services is in question, not merely because of collapsed systems in impoverished African countries. In many areas of state services, theories of public economics posit, "natural monopolies" exist—such as water/sewage systems, electricity, roads and railroads or land-based telephone lines—which should not be built in competition with each other because of wastefulness. In some cases, such monopolies compelled states to establish special-purpose State Owned Enterprises which subsequently have been targeted for management outsourcing, joint ventures and even privatisation under regulation.

The persistence of "public good" challenges associated with state services requires constant evaluation of ownership, management and regulation.⁶⁶ Our own experiences with attempts to regulate private-sector provision of public goods in even the most sophisticated African context, South Africa, do not support the global trend to commodification. Simply put, the dangers of non-traditional routes to service delivery—even by well-meaning NGOs and quasi-NGOs experimenting with rural water Build-Operate-Train-Transfer systems (see Appendix)—include a disempowered rural consuming population receiving services which do not adequately capture the public-good characteristics of services. Their disempowerment lies in the failure of delivery providers to make the logical connections between essential state services such as water, energy, roads and the like, to highly emotive problems in low-income communities: affordability and access; gender equity; household and community environment; linkages to job creation, productivity and literacy; possible multipliers in the areas of income-generation (such as electricity-dependent SMMEs or irrigation-dependent small-scale gardening). Regulation is no answer, for the ability of trade unions, community organisations, health workers and other watchdogs of low-income people's and the public's interest is, in many African settings, nearly nonexistent.

The Appendix concludes that public-good and positive-externality effects of services *can only really be assured through public provision*, although community trusts and worker self-management are by no means inappropriate to enhance state service provision. In contrast, private suppliers of services such as water have no direct profit-related incentive in supplying the poor (hence widespread "cherry-picking" so as to limit service provision to upper-income consumers), nor do they face an enormous public-health bill when diarrhoea or even cholera break out as a result of water contamination or cut-offs. Indeed, in opposition to, for example, World Bank and United Nations Development Programme promotion of ever more market-oriented, commodified, stratified and fragmented systems of water service delivery (in the World Water Forum which convened in the Hague in April 2000), the objective of recent social movements has been the *decommodification, destratification, degendered* and more ecologically-sound provision of state services. This perspective has strong historical roots.

The origin of state incorporation of these demands was in Bismarck's Germany, as a response to threats of social revolution. But when systematic efforts were made in the 20th century to build welfare states and durable social policies in Scandinavia, Gosta Esping-Andersen argues, they invariably entailed alliances between the rural poor and urban workers aimed precisely at improved, universal access to services.

But instead of promoting either worker/community control, or a stronger, more equitable state, many donors have joined the move towards commodified, stratified, means-tested, gender-oblivious and ecologically-insensitive service delivery. When such delivery fails, it is tempting to locate a diagnosis of obstacles not at the broader levels of socio-economic crisis or market-oriented policy, but rather in the realm of "local politics."

3.5 Deficiencies in analysis of local development politics

When market-oriented supply of services fails, as for example due to national cutbacks in health or education spending consequent to structural adjustment, or micro-level cuts in water supply associated with inappropriate system design (see Appendix), then popular protest can be expected. Resistance to global, regional, national and local aspects of structural adjustment is widespread—and indeed is presently increasing across the globe. "Anti-globalisation" protests in Seattle, Davos, Washington, London, and Windsor have been well publicised during recent months, but other instances of mass activism by those most affected, in the South, also provide a flavour of the contemporary terrain:

- An indigenous people's uprising against neoliberal policies in Ecuador in January generated a momentarily-successful alliance with military coup-makers in January.

⁶⁶ This is discussed in detail in the original paper, Appendix 2.

- In Bangkok in February, a formidable Thai network of unemployed rural and urban activists protested daily at the semi-decennial meeting of the United Nations Conference on Trade and Development.
- In early April, protesters overran the main square of Cochabamba, Bolivia, and thousands of residents forced water-privatiser Bechtel out of the country (and precipitated a national state of emergency in the process).
- In May, the small Thai city of Chiang Mai was awoken by 5,000 angry students, unemployed workers, environmentalists and displaced rural people, who overwhelmed police lines protecting an Asian Development Bank meeting.
- On May 10, South Africa was the site of a national general strike by half the country's workforce, furious over neoliberal macroeconomic policies, and protest marches brought 200,000 out into the streets in several cities.
- The next day, twenty million Indian workers went on strike explicitly to protest the surrender of national sovereignty to the IMF and Bank.
- Smaller but still very sharp anti-IMF demonstrations quickly led to police crackdowns in Argentina in mid-May, followed by a mass protest of 80,000.
- Turkish police also repressed anti-austerity demonstrations in May.
- In Port-au-Prince, Haiti in June, thousands turned out in June for anti-debt activities.
- In Paraguay, a two-day general strike was called against IMF-mandated privatisation.
- Also in June, Nigeria's trade unions allied with Lagos residents in a mass strike aimed at reversing an IMF-mandated oil price increase, which also had the effect of cutting short US treasury secretary Laurence Summers' visit.
- In July, South Korean workers repeatedly demonstrated against IMF-mandated austerity policies.
- The Brazilian left hosted a plebiscite in August on whether the society should accept an IMF austerity programme, and more than six million voted, nearly all against.
- In September, large crowds gathered in New York, many in protest, to mark the United Nations Millennium Summit; more thousands protested at the Melbourne meeting of the World Economic Forum; and later in the month, an estimated 15,000 mainly-European demonstrators converged on the IMF/Bank annual meetings in Prague, generating a small, violent confrontation and forcing closure a day early. Across the world, many other protesters staged solidarity events.
- Shortly afterwards, Bolivia exploded with varied urban and rural protests against neoliberal policies.
- Tens of thousands of Korean workers, students and social-movement protesters engaged in late October protests, at a Seoul gathering of European and Asian leaders.
- Many dozens of other protests occurred over the period, from Argentina to Zimbabwe.⁶⁷

These protests are sometimes merely populist and superficial in character, but in many cases are the outcome of extremely detailed local and national organising, political education and creative conscientisation, relying upon widespread networks of social movements, civic organisations, churches, women's and youth groups, and the like. These are, therefore, much more than simple "interest groups" pursuing sectoral interests. They often target local service delivery grievances (e.g., ongoing anti-privatisation struggles in many major Third World cities). And as a result, development projects that are implicated in the broader neoliberal project are often rejected by their "beneficiaries."

It is here that the IDRC has identified very explicitly a crucial intellectual and practical-developmental cul-de-sac, in the form of:

... emerging research (e.g. by the World Bank) which addresses the politics of interest groups around service provision, but this has tended to present those politics as "obstacles" which could potentially be eliminated or minimised, rather than systemic features of social and political systems which need to be acknowledged and managed. In some cases this has led to unsuccessful efforts to eliminate "corruption" by bringing in northern prescriptions to improve accountability and transparency that do not address the politics actually at play.

The typical solution to such problems at the Bank has been not a broader strategic rethink of development parameters (such as, for example, the extent to which cost-recovery or system design are inappropriate given high levels of poverty), but rather a commitment to deepening decentralisation. Mexico's celebrated attempt to foster participation through local development compacts, for instance, has entailed failures which led Bank staff

⁶⁷ See documentation by the World Development Movement:
<http://www.wdm.org.uk/cambriefs/DEBT/unrest.htm>

to promote, instead, "genuine community participation [through] a shift of authority over subproject selection, execution, spending, and operation and maintenance to lower-level jurisdictions and communities themselves."⁶⁸

Local-level gender power imbalances are one form of very real blockage to effective participation. The triple role of women—in household reproduction, income-generation and community organising—may lead to higher-value inputs into participation processes, but without funding to compensate for time lost, it also means that women are not necessarily able to commit sufficient time to lengthy meetings to have their concerns addressed. In many societies, too, women's roles are still bound up in oppressive tradition, culture, and knowledge-denial. Solutions sometimes include quotas for membership in committees, mandates for women to participate in decision-making processes, and even separate women's evaluations or programmes; yet these tend to suffer underfunding. In some cases, economists advised that the only means of ensuring that women receive adequate access to development project employment, for example, was to set remuneration levels extremely low (at just over US\$1 per day) so as to disincentivise the work for men.⁶⁹

There are, of course, infinite instances in which unequal local ethnic, gender, class and generational relations impede broad-based participation in development processes which would potentially have an equalising effect on local power structures. Nevertheless, when projects fail, blame is sometimes placed on communities themselves, for not possessing a requisite degree of "social capital." The problem with the uncritical application of this concept, devised by Robert Putnam to explain differential governance and interest group politics in Italy,⁷⁰ reflects less its "northern" character than its deployment as an artificial intellectual construct to promote relatively orthodox agendas. McCarney, for instance, sees social capital merely as the

horizontal networks of civic engagement... [that] foster trust, reciprocity, community cooperation and mutual help... The challenge is to preserve these elements which Putnam cites as being essential to making democracy work, while also strengthening the state side of the relationship in ways which enhance a city's social capital.⁷¹

Yet contrary to conventional wisdom, in conflicted sites where social capital is often strongest (such as South African townships during the political transition process), orthodox development industry projects are most forcefully resisted and illegitimate local government is most likely to be circumvented (as regularly happened to apartheid-puppet Black Local Authorities during the 1980s-90s). In short, a high degree of social capital has had the effect, in situations such as the Chipko tree-huggers' movement, of invoking "post-development" social

Mistranslation of concepts is not an unusual phenomenon within the development industry, for as Ferguson argued in his path-breaking study of Lesotho's "Less Developed Country" status, the intellectual constructs established by World Bank and official Canadian aid officials had very little bearing on the reality of that country's systematic underdevelopment, and more to do with the institutional need of the Bank and CIDA to import technicist, market-oriented and state-expansive "solutions" to imagined problems.⁷²

More generally, the term "governance" itself must be more critically considered. A new ideology of "neoliberal populism," as Vivian puts it (in the context of a study of rural Zimbabwean development politics), assumes "that if diverse interest groups and social structures are able to compete within a strong and open social 'market,' efficient—and by implication equitable—social institutions will result."⁷³ Introduction of artificial intellectual constructs also occurs in traditional Left considerations of local politics; Vivian also criticises the radical-populist belief in "mass-based, grassroots activity" where advocates "tend to stress the moral dimensions

⁶⁸ World Bank (1991), *Mexico Decentralisation and Regional Development Project: Staff Appraisal Report*, Washington, DC, World Bank, p.11. To its credit, the Bank also acknowledged the need for local communities to gain access to greater funding levels through which they could employ their own technical assistance.

⁶⁹ This was not only common practice amongst some large South African NGOs, such as the Independent Development Trust, but was also formal policy, as articulated in Reconstruction and Development Ministry (1995), *The Rural Development Strategy*, Pretoria.

⁷⁰ Putnam, R. (1993), *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton, Princeton University Press.

⁷¹ McCarney, "Introduction," p.17.

⁷² Ferguson, J. (1994), *The Anti-Politics Machine*, Minneapolis, University of Minnesota Press.

⁷³ Vivian, J. (1993), "Non-Governmental Organisations, Institutional Reform and Rural Development: Findings from Zimbabwe," Unpublished doctoral dissertation, Cornell University Planning Department, Ithaca, NY, pp.29, 40-41.

of their activities and to express faith in the essential altruism and moral integrity of the people with whom they work)." In such studies, she insists, "Little attempt has been made to directly confront or refute the 'iron law' ['of oligarchy' of German political theorist Robert Michels: 'Political organisation leads to power but power is always conservative'], even by those on the political Left."

Such concern may be quite valid with respect to some important community organising traditions (for example, urban Alinskyite campaigns or rural/urban Liberation Theology base communities). But in contrast, the argument above rests not upon moral righteousness, but upon economic crisis--market failure at both macro and micro levels--as a primary motivating force for the recent rise of social movements. Thus "power" is the power of the movements to carve out their own space for people-centered development: not necessarily by capturing the hamstrung state, which could tend to a conservative outcome.⁷⁴ Instead, power would more readily be exercised through demanding access to resources in a manner that refutes orthodox development-industry logic.

Vivian is certainly correct that amidst the cacophony of developmental interest groups, NGOs are now considered an integral component of the modernisation process for the sake of their efficiency and flexibility (even if results to date have been disappointing even on their own terms). The rise of NGOs as development agents closely corresponds with the desire of the international agencies to shrink Third World states as part of the overall effort to lower the social wage. Even indigenous NGOs and some CBOs have been readily drawn into the process, thus localising long-standing distinctions between technicist, apolitical development interventions on the one hand, and the people-centered strategies (and militant tactics) of either small-scale CBOs or mass-based social movements of the oppressed on the other hand.

Thus by the early 1990s, two out of five World Bank projects involved NGOs (including well over half in Africa), and in projects involving population, nutrition, primary health care, and small enterprise, the ratio rose to more than four out of five. During the 1970s and 1980s, more than six percent of Bank operations included some NGO participation, but Paul Nelson found that NGOs were "primarily implementors of project components designed by World Bank and government officials." Moreover, especially since an upsurge in such participation began in 1988, NGOs have often been used to "deliver compensatory services to soften the effects of an adjustment plan"; in some cases the NGOs were not even pre-existing but were "custom-built for projects" and hence could "neither sustain themselves nor represent poor people's interests effectively."⁷⁵

Normatively, this is precisely the formula for local governance in relation to service delivery that is to be avoided. Yet most academic and practical developmental research has not been aimed, in a rigorous and non-partisan manner, at distinguishing organic, potentially progressive and even mass-democratic processes of civil society formation, from artificial (sometimes donor-driven) initiatives that more often acquire access to resources and official state support. To recognise intrinsic conflict potential in service provision--i.e., what the IDRC calls "systemic features of social and political systems which need to be acknowledged and managed"--is crucial.

Most case studies--and much evidence from participation processes in, for example, World Bank projects and policy design--point to a similar set of problems for governance and service delivery, namely the tension between material (financial, administrative and logistical) delivery capacity on the one hand, and legitimate demands that basic needs be supplied to citizens in a relatively decommodified, destratified manner, using vehicles of delivery that are increasingly community and worker controlled.

The epithet of governance and service delivery in Anglophone West Africa was provided by Onibokun in the Ford/World Bank study cited above:

Simply stated, current practices cannot lead to sustainable development. The requisite vision and commitment are lacking, the required popular confidence does not exist, and the partnership between government and civil society is a mirage. Further compounding this situation is the fact that the resources needed to cope with the challenges are on the decline.⁷⁶

Will this be Eastern and Southern Africa's fate? Is it already?

⁷⁴ Very different circumstances prevailed, amidst very different ideologies, but this fate befell, amongst others, Aquino (Philippines), Arafat (Palestine), Aristide (Haiti), Bhutto (Pakistan), Chiluba (Zambia), Dae Jung (South Korea), Havel (Czech Republic), Manley (Jamaica), Megawati (Indonesia), Musoveni (Uganda), Mugabe (Zimbabwe), Nujoma (Namibia), Ortega (Nicaragua), Perez (Venezuela), Rawlings (Ghana), Walensa (Poland) and Yeltsin (Russia).

⁷⁵ Nelson, P. (1995), *The World Bank and Non-Governmental Organisations: The Limits of Apolitical Development*, London, Macmillan.

⁷⁶ Onibokun, "Governance and Urban Poverty in Anglophone West Africa," p.168.

4. Conclusion

The architecture of the argument established so far can quickly be reviewed:

- in a context in which the post-colonial history of geopolitical conflict and economic crisis in sub-Saharan Africa left nation-states disempowered and subject to imposition of structural adjustment programmes, municipalities in particular have suffered—not only have they been victims of cutbacks in central to local funding, but have also had to redirect their developmental efforts into export-led growth strategies, which in turn have biased the provision of services such as water, electricity and urban land to large companies;
- the various discourses that have emerged around services provision and participation in development processes, particularly through the sometimes self-interested interventions of donors and international development agencies, are inadequate to grapple with both the public-good nature of many state services, and the dilemma of local political resistance to services privatisation (or even public-private partnerships);
- the two broad kinds of social reaction to the crisis—*a*) community-based groups ("civil society") emerging from mutual-aid systems (sometimes with NGO technical support), and *b*) sporadic but durable protest/resistance to further bouts of adjustment—together form the building blocks of any future developmental strategy involving communities, workers and vulnerable groups; and
- the strategic orientation of civil society groups has to date mainly occurred along at least two axes, with four kinds of outcomes observable in various settings, depending upon broader political circumstances (to again borrow Tironi's typology): excluded-reformist, exploited-reformist, excluded-radical and exploited-radical.

Is there a way of synthesising these experiences and moving forward? We return to the dilemmas of democratisation, deracialisation and development that probably no African scholar has posed as insightfully as Mamdani:

Decentralised democratisation confined to the local state is both partial and unstable. It harbours contradictory possibilities: the point of reform of rural power can just as easily be to link up with representative demands from urban civil society as it can be to check these. If the objective is an overall democratisation, it requires a balance between decentralisation and centralisation, participation and representation, autonomy and alliance. But if it is to checkmate civil society, a one-sided glorification of decentralisation, autonomy and participation will suffice because, in the final analysis, it is bound to exacerbate the breach between the urban and the rural... This tendency needs to be seen as a negative development.⁷⁷

It is not hard to read between the lines and apply Mamdani's conclusions to governance and service delivery. For if the arguments in Section 2.4 about the public-good character of state services are valid, a subset of the "negative development" would be an excessive reliance upon, and glorification of, non-state agents (even NGOs and CBOs, but especially private firms) in service delivery when the conditions are not appropriate (as in the rural water-delivery case discussed in the Appendix). The rhetoric sounds progressive: decentralisation, autonomy, participation. Yet under conditions of structural crisis in Eastern and Southern Africa, civil society groups are likely to be checkmated, even if their emergence as "obstacles" to services delivery and development more generally is a wholly unintended consequence. The possibilities for a radical unleashing of energies and community/worker self-activity ebb. "Local politics" then intervene adversely, not only because resources are stretched to the point of conflict, but because of what Mamdani points out is ultimately a durable, decentralised despotism in state-society relations.

This, however, is not the only kind of African rural development experience worth citing. At the risk of invoking romantic revolutionary sentiments, Frantz Fanon's description of participation in service delivery in Algeria, circa 1961, is worth recalling:

One of the greatest services that the Algerian revolution will have rendered to the intellectuals of Algeria will be to have placed them in contact with the people, to have allowed them to see the extreme, ineffable poverty of the people, at the same time allowing them to watch the awakening of the people's intelligence and the onward progress of their consciousness... Today, the people's tribunals are functioning at every level, and local planning commissions are organising the division of large-scale holdings, and working out the Algeria of tomorrow. An

⁷⁷ Mamdani, *Citizen and Subject*, p.298.

isolated individual may obstinately refuse to understand a problem, but the group or the village understands with disconcerting rapidity. It is true that if care is taken to use only a language that is understood by graduates in law and economics, you can easily prove that the masses have to be managed from above. But if you speak the language of everyday, if you are not obsessed by the perverse desire to spread confusion and to rid yourself of the people, then you will realise that the masses are quick to seize every shade of meaning and to learn all the tricks of the trade.⁷⁸

Revolutionary situations such as this are not sufficiently common to build a development and governance strategy around, although examples such as Mozambique's Dynamising Groups, Zimbabwe's community health workers, and township "dual power" strategies in mid-1980s South Africa do suggest more general applications.⁷⁹

A more durable alternative does exist to decentralised despotism, to participation as means-to-an-end, to neoliberal populism, and to a romanticised revolutionary self-activity of the masses. Practical strategies can be advanced, ideally in the traditions of social policy characterised by decentralised delivery with sufficient central-local resource flows, such as those that gave Scandinavian countries their exemplary social services system (even at earlier, lower-income stages of development). This is no "western" import to Africa, but in fact is a variation of a theme in state service provision whose roots, as Wittvogel famously argued, are actually to be found in ancient India, Egypt and China. At that early stage of human development, (centralised-despotic) state institutions were underpinned by vast irrigation infrastructures whose maintenance needed legions of workers, artisans, and bureaucrats. These "hydraulic civilisations" oversaw a vast system of agricultural production and environmental and social management.

Aspiring to centralised-democratic as well as decentralised-participatory state service delivery follows the logic of popular protest, which can be observed around the world, are increasingly targeting the ascent of market values over basic needs. Mamdani is correct that rural and urban alliances are vital here (as Zimbabwean and South African civil society groups are slowly realising). Advocacy-oriented research aimed at universalising service delivery is but one of the clear gaps in this regard. So too is movement-building research that explores ways of *uniting* and *allying* the diverse social forces, so that Tironi's matrix collapses. In other words, there should be no distinction, at the end of the day, between social-policy critique and advocacy emanating from reformers and radicals, the exploited and excluded: *they should all find universal, general argumentation and strategies to meet needs, at levels ranging from the global to the local.*

Thus having agreed with Mamdani about the normative approach required—i.e., balancing *both* expanded state services and community/worker control, thereby achieving *both* representation and participation, via *both* autonomy and alliance—we can return to questions posed at the outset:

What kind of research readily grapples with these difficult problems, and would be relevant in diverse Eastern and Southern African contexts? What are the main issues surrounding service provision in the context of governance and provision of public goods? What are the state-of-the-art conceptual frameworks (and associated methods)? What are the existing sources of research support, the role of donors, and the impact of research funding by donors? What gaps remain?

To summarise the answers that are emerging in this draft paper,

- there already exists a sometimes platitudinous, usually institutional-oriented literature consisting of mainly descriptive research about African governance, participation and development, to which adding further studies would not necessarily be justifiable;
- research that we believe is absolutely vital would instead follow a participatory-action strategy that takes seriously—indeed that understands as a fundamental prerequisite to good governance—*progressive social-policy advocacy* and a more equal balance of forces in society than presently exists;
- an appreciation is thus required by researchers and donors alike, of the *political alliances* (rural-urban, peasant-worker, male-female, young-old, etc.) required to assure successful advocacy under conditions of adverse power imbalances;
- research can contribute to such alliances, by pursuing both the large-scale questions critical of the logic of structural adjustment (as IDRC has, for instance, through Mkandawire/Soludo's excellent work), as well as through investigating (as does Mamdani) modes of overcoming unnecessary rural/urban divisions within social movements, perhaps through adding the kinds of service-related public-good analysis that

⁷⁸ Fanon, F. (1963), *The Wretched of the Earth*, New York, Grove Press, p.189.

⁷⁹ The latter experience is set out in Mayekiso, M. (1996), *Township Politics: Civic Struggles for a New South Africa*, New York, Monthly Review Press.

has been largely missing to date, and that would support policies that generate equity across the widening geographical, racial/ethnic, gender, generational and human/nature divides;

- to this end, methodologically, a fruitful approach may be the expansion of society's understandings of the *enhanced* cost-benefit, multiplier and externality effects of state services, so that it becomes increasingly feasible for central and local states to justify larger expenditures on public goods than would otherwise be anticipated using merely financial rate-of-return modeling, given the broader benefits to society of expanded state services;
- given the deficit of contemporary experiences and research in community-trust and worker self-management of services, yet given the potential that such models might have for enhanced governance, this may also be a fruitful site not only for study but--where they are not an excuse for mere privatisation--for pilot projects; and
- operationally, progressive donors should continue to seek out the most innovative social movements and community organisations in particular settings, and to empower them through specific funding lines (to hire their own researchers to pursue their own state services-related enquiries).⁸⁰

On a closing note, the argument advanced above is little different than the one that we would insist won the first democratic election for the African National Congress. The March 1994 *Reconstruction and Development Programme* set out the mandate for virtually all of the specific advocacy positions made in this paper. That document's concern for an empowered civil society role in governance is a fitting way to close:

A wide range of trade unions, mass organisations, other sectoral movements and community-based organisations such as civic associations developed in our country in opposition to apartheid oppression. These social movements and CBOs are a major asset in the effort to democratise and develop our society. Attention must be given to enhancing the capacity of such formations to adapt to partially changed roles.⁸¹

⁸⁰ See the original paper's Appendix 2 for details.

⁸¹ African National Congress (1994), *Reconstruction and Development Programme*, Johannesburg, s.5.6.1.

APPENDIX

Governance and Service Delivery in Eastern and Southern Africa: Issues for Debate, Directions for Research

by Patrick Bond and Horacio Zandamela

Governance and Service Delivery in South Africa: The Case of Municipal Water Services

"[W]e have been working in a number of provinces to help communities improve their sanitation... What we are learning across the country is that people do not always give sanitation a high priority. Indeed, while funds for water supply are oversubscribed many times, funds available for improved sanitation have not been spent in some areas not because we expect to receive application forms but because we depend on communities' buy-in."

Dr Mike Muller, Director-General
South African Department of Water Affairs and Forestry
Letter to the Editor, *Cape Times*, 11 January 2001

"Perhaps we were being a little too market-oriented" [in supplying water/sanitation services].
Muller, interviewed on SA Broadcasting Corporation's "Newsmakers"
Johannesburg, 14 January 2001

Communities in cholera-ravaged northern KwaZulu-Natal were on Monday told they had to build their own toilets if they wanted to win the war against the disease, which has claimed 66 lives and infected nearly 20,000 people in the province since August last year. Provincial health MEC Zweli Mkhize told communities in the worst hit areas of Empangeni/Eshowe that 87,000 households in northern KwaZulu-Natal--between the Tugela and Umfolozi rivers--still did not have proper sanitation facilities...

The department [of Water Affairs and Forestry] came under fire earlier this year for failing to spend less than half of its sanitation budget of R13 million earmarked for the [KwaZulu-Natal] province for the current financial year. The department claimed there had been a "lack of interest" from rural communities. Community leaders at Ntambanana on Monday told government officials that their numerous calls for toilets over the past few years had fallen on deaf ears. "We have asked for toilets, but we got nothing...we have taps, but no water. We would not have had an outbreak if we had water and toilets," one elderly man said.

South African Press Association wire
Durban, 15 January 2001

Introduction

In order to illustrate the problems and potentials associated with governance and service delivery through a case study, we draw upon ongoing research and advocacy work associated with the Municipal Services Project of Wits University, Johannesburg. At present, this work has focused on urban and rural South African settings, but the Project is actively considering ways that the experience (both analytically and politically) can be translated to other countries in the region.

The South African case highlights problems associated with poverty and deprivation; with orthodox development strategies at both policy and project level; and with advocacy aiming--through research and argumentation--to reverse policies in at least two key national government departments and in myriad local (municipal) settings. While critiques and alternatives have been posed with great vigour, what has been missing is a combination of the sustained community activism across South Africa that characterised the struggle against socio-economic desperation wrought by apartheid (particularly in the crucial 1984-94 period when grassroots pressure forced systemic change), and an alternative service delivery vehicle appropriate for turning such activism into "public-people partnerships." Both missing elements are eminently feasible, and both will invariably emerge in coming months and years. One reason is that the African National Congress (ANC) government made an election promise to provide a basic lifeline supply of free water (6,000 kilolitres per household per month) in October 2000, as a cholera epidemic broke out in KwaZulu-Natal (it ultimately spread to most other metropolises, causing tens of thousands of cholera cases in its first six-months, with at estimated three hundred thousand more people identified as carriers of the bacteria. The cause of the August 2000 outbreak was the cutoff of what had been a 17-year supply of free water.

But the problems associated with lack of access to water in rural and urban areas do not disappear with the promise of a ruling party. Indeed, it is safe to predict that services-related grievances will emerge again and again in South African towns and cities, particularly in areas of basic infrastructure provision (water/sanitation, electricity, transport, roads and stormwater drainage, waste removal, and related municipal amenities). Tragically, the "IMF Riot" has already transpired in numerous settings where water or electricity supplies have been cut off, usually following dramatic price increases that were unaffordable, or often simply because low-income people were subject to eviction for not being able to pay enormous accumulated arrears on their service charges. Women were most obviously affected, for reasons discussed briefly below.

The most important institutional change in coming months and years will be the December 2000 transformation of 843 municipalities into 284 much larger, urban-rural conglomerations. On the one hand this bodes well for redistribution within the huge metropolitan areas which have heretofore resisted transfers of resources across jurisdictional boundaries; but on the other hand, the many small towns in former bantustans (homelands) will be further disadvantaged, not just by lack of resources, but by the much greater distances that low-income rural people will have to travel to conduct business and ensure access to state services. The reduction and demarcation of the 843 municipalities was forced upon local government, by virtue of the dramatic declines in funding they received from central government during the 1990s (an 85% cut in the main central-local services fund from 1991-99).

Aside from municipal demarcation, whose severe negative implications for low-income rural people still lie ahead, the degeneration of infrastructure-related services in post-apartheid South Africa is usually explained through two different perspectives: what we can term "mainstream" and "critical." The former--based on premises commonly articulated within the Washington Consensus--typically applauds the relatively low standards associated with water, electricity and other state services; the latter condemns these and posits a variety of public-good effects that can more decisively alter standards of living. While the former perspective seeks private sector investors to help extend services grids through large capital investments, the latter perspective views this process with great trepidation, positing instead an alternative services delivery vehicle that is non-profit, worker- and community-controlled, better resourced and hence better able to incorporate the public goods associated with infrastructure-related services.

Following a summary of differences that have emerged, the rest of the appendix considers in particular the debates that continue, still today, over water: how much, at what price, and through what institutional means it should be delivered to low-income urban and rural South Africans.

Seven differences in perspective on South African infrastructural services

Mainstream	Critical
a) existing policies are basically fine (although some, like the overly-generous housing policy, need tweaking to assure better alignment);	a) virtually all current state policies are excessively market-oriented (too stingy, insensitive to poverty, incapable of integrating gender and environmental concerns, unsympathetic to problems associated with public health and worsening geographical segregation, and even inefficient in terms of untapped economic multipliers);
b) post-apartheid laws, planning frameworks and regulations are sometimes onerous and usually unhelpful;	b) post-apartheid laws, planning frameworks and regulations are essentially technicist and disempowering, and are generally an inadequate substitute for a transformation in the balance of forces and in residual apartheid-era economic processes;
c) resources allocated for infrastructure services are quite sufficient (large capital grants, plus ongoing central-local subsidies, plus limited local-level cross-subsidies from wealthy and corporate customers to the poor, plus other programmatic funds);	c) resources allocated are inadequate (by a factor of roughly five from central government, and with regard to inadequate local and national cross-subsidisation);
d) institutional arrangements for infrastructural projects are flawed (due to an excessive emphasis on greenfield developments and housing "top-structures");	d) institutional arrangements are inappropriate (newly-demarcated municipalities will struggle to meet small-town and rural needs, and the drive to corporatisation and even privatisation will worsen services inequality);
e) implementation of infrastructural projects is flawed, and because of inefficiencies in municipal delivery, there is a need for more rapid private-sector provision of services (public-private partnerships, outsourcing, and other forms of municipal services partnerships, which are generally enhanced by larger markets associated with newly-demarcated municipalities);	e) implementation is flawed (municipal management remains rooted in apartheid practices, and developer-driven, bank-centred housing policy drives most funds into new, faraway projects instead of empowering municipalities and communities);
f) communities and workers remain part of the problem (the former suffer a culture of non-payment, the latter too dogmatically oppose privatisation and act as a labour-aristocracy);	f) communities and workers are potentially part of the solution (if community- and worker-control are enhanced);
g) while expanded infrastructure and services may have positive spin-off benefits, these are not worth calculating and incorporating into decisions regarding the levels of municipal services, capital expenditure or subsidies.	g) infrastructure and services have extremely important positive spin-off benefits--improved public health, gender equity, environmental improvement, economic multipliers, increased productivity, better educational prospects, desegregation potentials--which are absolutely vital to calculate and incorporate into decisions regarding the levels of services, capital expenditure or subsidies.

Water services policy in dispute

The broad framework for post-apartheid household water delivery was spelled out in two policy documents drafted within six months of the election of a new, post-apartheid government, led by the African National Congress. The *Municipal Infrastructure Investment Framework* (MIIF) describes the main infrastructure and services options planned by government. This framework, according to the Department of Provincial and Local Government's (DPLG's) "User-Friendly Guide," used "an economic modelling exercise to estimate services backlogs; assess the capital costs that are involved in removing these backlogs; and calculate the recurrent costs of operating and maintaining the services."⁸² In addition, in December 1994 a *Water and Sanitation White Paper* was issued, as discussed below.

The MIIF set the overall framework for investment and recurrent spending on infrastructure-related services. In late 1994 and early 1995, based on *Urban Infrastructure Investment Framework* (UIIF) recommendations by a consultancy team dominated by World Bank staff, key officials in the Ministry for Reconstruction and Development agreed that government would provide only minimal infrastructure and services to low-income urban South Africans. The same ministry's draft *Urban Development Strategy* (UDS)--released in October 1995--reflected government thinking on service provision from late 1994 through late 1996. The UDS summary demonstrates the inadequacy of standards then contemplated for *urban* "municipal" areas (rural infrastructure plans had not been developed at that stage) (in early 2000, R8=US\$1):

⁸² Department of Provincial and Local Government (1997), *Municipal Infrastructure Investment Framework*, Pretoria, p.2. Throughout this appendix, "Department of Provincial and Local Government"--the name adopted in 2000--will be used, notwithstanding the original name of the department (Constitutional Development) on most of the documents described.

An average national distribution of 55:25:20 between full, intermediate and basic levels of services in municipal areas is considered a realistic target for the infrastructure investment strategy over the next ten years... "Basic services" means communal standpipes (water), on site sanitation, graded roads with gravel and open stormwater drains and streetlights (electricity). These services will be targeted at households with an income of less than R800 per month and charged for at between R35 and R50 per month. "Intermediate services" entail water provision through yard taps on site, simple water-borne sanitation, narrow paved roads with no curbs and open drains and 30 amps electricity with prepaid meters for households. These should be affordable to households which earn between R800 and R1700 per month and will cost them between R100 and R130 per month. "Full services" mean house connected water supplies, full water-borne sanitation, paved roads with curbs and piped drains and 60 amps electricity provision. It is anticipated that households in the R1700-R3500 monthly income class could afford "low consumption" costing them between R180 and R220 per month. Households with monthly incomes of above R3500 will be assumed able to pay for "full services at high consumption" at charges between R270 and R350 per month.⁸³

The final version of MIIF included--as "probably affordable to all in urban settlements"--many objectionable components of the basic package: pit latrines, communal (not house or yard) standpipes, a weak electricity supply, gravel roads, open storm-water drains, communal waste dumps (not kerbside removal), and other reflections of an extremely stingy infrastructure package. Under the "low" growth scenario (most realistic in view of the failure of the *Growth, Employment and Redistribution* strategy to meet any but the inflation and budget deficit targets),⁸⁴ nearly 30% of urban residents would be subject to these low standards even after the ten-year plan (1997-2006) for service provision was fully implemented. The rural standards suggested in the MIIF were far lower, with 70% of the rural population anticipated to have the "basic" services discussed above after a decade, and 20% to have no services at all. In both urban and rural settings, the implementation progress was far slower than even the low target levels specified in MIIF.

Several other criticisms of MIIF must also be recorded. The service levels contemplated in MIIF were not merely emergency services (piped water or portable toilets in slum settlements that are without water or hygienic facilities at present), but represented, more fundamentally, permanent development policy. A crucial problem in the affordability calculations was the overoptimistic projection in MIIF that (in inflation-adjusted terms) only around 20% of urban households would still earn less than R800 per month within ten years. In addition, on technical grounds, there are six other important points to be made regarding the low levels in government's infrastructure and service provision policy. First, a national tariff structure was not developed consistent with the cross-subsidisation and lifeline tariff provisions mandated by the ANC's electoral campaign platform. Second, public health benefits associated with increased access to services were not adequately factored in. Third, environmental problems associated with the proposed standards were not adequately addressed or factored in. Fourth, implications of the infrastructure policy for microeconomic linkages and for macroeconomic policy were not adequately addressed or factored in as a means of overcoming affordability constraints. Fifth, the implications of infrastructure standards for women were not adequately considered and factored in. Sixth, the spatial implications of class segregation implicit in the programme--with all the consequent economic inefficiencies--lent themselves to creation of new, post-apartheid racial ghettos where it will be physically impossible or excessively costly to upgrade from "basic" to full services. While recognising this problem, MIIF did nothing to counteract it; again the costs associated with neo-apartheid geography were neither calculated nor factored in.

The main investment implications are important to note at the outset, namely that the "net economic return" on infrastructure investments should incorporate not only the immediate financial return--the amount of cost recovery as a ratio of the amount invested--but also other social benefits, costs, externalities and multipliers. Having failed to do so in the areas noted above, the MIIF provided for low standards of infrastructure on grounds that these standards were the most that low-income South Africans can afford to pay.

In light of the failure to consider the broader economic returns to infrastructure investment, the main reason that "basic" levels of service were being imposed upon the vast majority of the poor is the allegedly high recurrent costs of water and electricity. In the absence of subsidies, these costs prohibit low-income households from paying full cost-recovery rates for even a minimal monthly amount of these services. A subsidy should

⁸³ Republic of South Africa (1995), *Urban Development Strategy*, Pretoria, pp.24-25. Partly because MIIF was already controversial, extensive technical persuasion and a degree of policy advocacy (mainly through the National Economic Development and Labour Council) had the effect of raising the infrastructure standards slightly higher than was initially proposed in the UIIF, draft UDS and early drafts of the MIIF. Instead of no electricity, there was the potential for urban households to receive an 8 Amp supply; and instead of paying R35-50 per month for these services, a subsidy of approximately R50 per low-income household was planned (whether this was enough to cover basic operating costs was questionable, and indeed whether the grant was sustainable given budget constraints remained to be seen, but as shown below, there were substantial doubts about this method of subsidy). In short, there were several minor improvements over "basic" standards of services.

⁸⁴ National Institute for Economic Policy (1999), *NGQO! An Economic Bulletin*, 1, 1, <http://www.niep.org.za/>, pp.1-3.

cover sufficient services--according to the ANC's electoral campaign platform, the *Reconstruction and Development Programme* (RDP), for example, "an on-site supply of 50-60 litres per capita per day of clean water,"⁸⁵ and sufficient electricity to cover the energy requirements associated with essential lighting, heating and cooking for a typical family (approximately 100 kilowatt hours per average family per month)--such that all South Africans attain a minimally-decent standard of living regardless of their ability to pay. Instead, an approach emphasising cost recovery, an inadequate "indigence" grant applied through means-testing, and "limited" local-level cross-subsidies was adopted.

At this stage of the argument, prior to describing some of the related household water policies of the Department of Water Affairs and Forestry (DWA), early evidence of infrastructure delivery and the implications of the current policy, an alternative approach should be clarified. Most importantly, how large a subsidy can South Africa afford to provide users of basic-needs infrastructural services? Ironically, the UDS states, "the government's aim is to increase housing's share of the budget to 5 per cent and housing delivery to a sustained 350,000 units per annum within five years," which repeats not only the RDP commitment but the same goal stated in government's *Housing White Paper*. With that level of fiscal support--R12,5 billion in public investment per annum (in present value rands, given an early 21st century national budget of R250 billion)--devoted to the capital costs of housing, and with the sorts of cross-subsidies and lifeline service provision anticipated in the RDP to offset households' ongoing expenses, there is no question that the supply of services at much higher levels is financially feasible for all South Africans.

In sum, there is an option consistent with RDP infrastructure/services standards that reflects the variety of costs and benefits associated with their delivery. That option requires not only spending roughly 10% more than planned in the MIIF for capital investment in infrastructure (well within 5% of the national budget). It also locates financing sources for recurrent costs within existing service suppliers through national-scale cross-subsidies such that a lifeline entitlement is provided to all South Africans and greater resource conservation is achieved. But no matter the merits of a revised pricing policy, at project level, water was bedeviled by a pricing system and delivery crisis also affected by Washington-Consensus-type strategies.

Implementation problems

The first ANC Minister of Water Affairs and Forestry, Kader Asmal, was hailed for having served "three million people," mainly in rural areas, with new water connections.⁸⁶ Rarely mentioned was the unsustainability of the water projects, which were said by DWA insiders to have rendered as many as 90% of the new taps inoperative.⁸⁷ And rarely mentioned is the extraordinary upsurge in water cut-offs since the mid-1990s, which included, as an example, 70,000 black township residents of Leandra, Mpumalanga, who suffered 70% water pressure cut-off for several months in late 1998 at the hands of Rand Water, due to a non-payment rate of nearly 70%.⁸⁸ Yet amongst those suffering cuts in many places were households which had paid their bills, but who were penalised when mains into communities were cut off.

In addition to the MIIF, the *Water and Sanitation White Paper* reflected and in some important respects preceded the overarching urban, rural and municipal infrastructure policy processes. By December 1994, Minister Asmal's first white paper announced that "where poor communities are not able to afford basic services, government may subsidise the cost of construction of basic minimum services but not the operating, maintenance or replacement costs."⁸⁹ The insistence on charging the full operating and maintenance costs (and thus the refusal

⁸⁵ African National Congress (1994), *Reconstruction and Development Programme*, Johannesburg, section 2.6.7.

⁸⁶ Figures are unreliable, and in a best-case account, according to a PanAfrican News Agency report on 6/2/99, Nelson Mandela told parliament that "in 1994, when the ANC was elected, some 30% of South Africans lacked access to safe supply of water near their homes. Today, after three million people have benefitted from the government's water supply programme, the percentage has been reduced to 20."

⁸⁷ There were, surprisingly, no monitoring and evaluation studies of the entire DWA rural programme (merely discreet reports on selected case studies), but published estimates were that 50-90% of taps had stopped working (*Sunday World*, 9 and 16 May 1999).

⁸⁸ *Sunday Independent Reconstruct*, 20/12/98.

⁸⁹ Department of Water Affairs and Forestry (1994), *White Paper on Water and Sanitation*, Pretoria, p.19.

to keep to the mandate in the RDP that all are entitled to access to sufficient lifeline water for their reasonable needs) was based on two assertions.

First, the *Water and Sanitation White Paper* states that if government covers operating and maintenance costs, there will be a "reduction in finances available for the development of basic services for those citizens who have nothing. It is therefore not equitable for any community to expect not to have to pay for the recurring costs of their services. It is not the Government who is paying for their free services but the unserved."⁹⁰ The *White Paper* thus argues for a "some for all, not all for some" approach. The *National Sanitation Policy White Paper*, released in 1996, reiterated that approach and included an explicit user-pays principle: "Sanitation systems must be sustainable. This means they must be affordable to the service provider, and payment by the user is essential to ensure this."⁹¹ But the false dichotomy between "width" and "depth" is presented as fact, without any reference to available sources of finance or to the potential of cross-subsidisation, as recommended in the RDP, in generating the finances available to meet everyone's entitlement to water. The progressive rebuttal is that everyone should have access to free water, and that the technical, financial, logistical and administrative means to achieve this end are not impossible to establish.

Second, the *White Paper* repeats the widely held but unsubstantiated assertion that payment for services is the single defining feature that determines whether people and communities behave responsibly: "The other reason why operating and maintenance costs should be borne by the communities is the principle of Community-Based Development. If the community expects some outside agency to be responsible for keeping their supplies going, they will have no control over the processes and lose leverage and ownership. Responsibility for keeping the service going is placed with a remote authority and accountability is lost. This will have an impact on the reliability of supplies."⁹² The rebuttal is that the formula typically adopted under the Washington Consensus--lower tiers of government (or community) must take more responsibilities from central government, but with fewer resources to do so--is bankrupt. Many communities are simply too poor to cover the operating and maintenance costs, and hence it is incumbent upon central government to provide the subsidies required to ensure that people's rights to water are continually met.

The subsequent policy--*The White Paper on a National Water Policy for South Africa* of 1997--reflected an uneasy compromise between the cost-recovery and lifeline approaches. It concedes the right of all to have access to basic water services and includes the following key proposals for incorporation into the water law:

- To promote the efficient use of water, the policy will be to charge users for the full financial costs of providing access to water, including infrastructure development and catchment management activities.
- To promote equitable access to water for basic needs, provision will also be made for some or all of these charges to be waived.⁹³

The document also defines a "Reserve" for basic human needs: "This will be provided free of charge in support of the current policy of Government which is to encourage the adoption of lifeline tariffs for water services to ensure that all South Africans can achieve access to basic services." But the 1997 *White Paper* only deals with the first tier level, that of water in catchments under central government control, and excludes the second and third tier levels, namely water as distributed and delivered by agencies including water boards and local governments. In practice, the approach to basic needs thus amounts to an acceptance of the position that communities fetching water from natural sources do not need to pay for the first 25 litres per person per day. For communities that receive water from built water systems, the document does not go beyond the principle of access to basic water services and does not describe how this entitlement is to be achieved.

Despite the more ambiguous current policy position on entitlement and, in particular, the lifeline tariff, the Department of Water Affairs in practice instructed its staff and all agencies carrying out community water supply and sanitation activities on its behalf to implement the standards and tariffs as defined in the 1994 *White Paper* to the letter. Community water supply projects include communal standpipes at 200 metres and, despite the array of problems associated with collecting payment for water from communal standpipes, the principle of full payment for the operating, maintenance and replacement costs still applies. Once projects have been built, communities don't receive further support.

As noted already, there are extremely serious problems in the community water supply projects. Reasons invariably include very real affordability constraints and an unwillingness to pay for communal standpipes. Communal standpipes are often not seen as a significant improvement on existing sources of water. Other important reasons for failure include poor quality of construction, areas within communities without service and intermittent supply. Typically, DWAF and its consultants built pipes designed for a 25 litre per person per day

⁹⁰ *Op cit*, p.23.

⁹¹ Department of Water Affairs and Forestry (1996), *National Sanitation Policy White Paper*, Pretoria, p.4.

⁹² *Op cit*, p.24.

⁹³ Department of Water Affairs and Forestry (1997), *White Paper on a National Water Policy for South Africa*, Pretoria, p.4.

supply, and when households found they needed more than this, and needed water at a yard (not communal) standpipe, they often broke into the system, thus generating yet more sustainability (and leakage) problems.

Ironically, thus, although "equity" was used an excuse to lower standards for new projects, the inequity associated with rural community water supply systems has led to numerous instances of project failure. The main problem appears to be that adjacent communities pay different amounts depending on the systems installed. In KwaZulu-Natal, for example, rural households pay for water from standpipes, whereas households in Durban getting water on site get the first 6 kilolitres per month for free. (According to the Durban Metro, 6 kilolitres is the breakeven point between the cost of collecting payment and the amount collected.) Communities with new water systems must pay for the ongoing functioning of their systems whereas communities supplied by the former Bantustan governments get their water for free. These inequities have led to significant levels of community tension within and between villages.⁹⁴ And, despite the claim to provide "some to all," vast areas have not received water services to date.

DWAF's response to the high level of rural water project failure has been to move further from the entitlement to water as spelt out in the Constitution and from the mechanism of financing this entitlement as spelt out in the RDP, partly because of advice from international agencies such as the World Bank.⁹⁵ The insistence on communal standpipes is unchanged, but they are now being built with prepayment meters to ensure payment up front. Instead of moving towards the medium-term aim of the RDP and providing taps on site, the Department has proved willing to relax the 200 metre criterion and allow for standpipes further apart so as to limit the number and thereby cost of prepayment metres. And in a December 1998 internal memo, one new guideline proposed (though ultimately not implemented due to opposition) was that instead of planning for 25 litres per person per day, DWAF and implementing agencies should only attempt to supply 7 litres in rural communities.

But just as disturbing is the intensifying commodification of water, particularly through private-sector partnerships that have sprung up in small and mid-sized towns, and that are anticipated to emerge in large metropolitan areas where highly-profitable water management contracts are anticipated.

Partnerships, privatisation and resistance

DWAF's response to a self-generated crisis of delivery, clearly based to an important extent on inadequate policy and financing systems, was paralleled by a tendency across government infrastructure delivery agencies--led by DPLG--to consider private sector management assistance, contracting out, concessions and outright privatisation of infrastructure.

Partly as a corollary to government's retreat from its policy mandate and its failure to deliver infrastructure of even low standards, lead bureaucrats within DPLG and DWAF began pushing a privatisation agenda beginning in 1995. Municipalities were encouraged to contract out infrastructure-related services to the private sector using what were initially called Public-Private Partnerships (PPPs), for which in 1997 the DPLG issued guidelines and helped establish a Municipal Infrastructure Investment Unit (MIIU) based at the Development Bank of Southern Africa. This was followed by DPLG's draft regulatory framework in August 1998, in which PPPs were rebaptised as Municipal Service Partnerships (MSPs) and characterised as "a variety of risk-sharing structures within public-public, public-private and public-NGO/CBO partnerships."⁹⁶ By December 1998, the SA Local Government Association and DPLG had negotiated a Municipal Framework Agreement with unions.

Beginning in 1996, DWAF's Community Water Supply and Sanitation programme commissioned several dozen extremely small-scale, rural PPPs, known as Build-Operate-Train-and-Transfer contracts, involving NGOs and some private firms. But such serious problems soon emerged--unsustainability, lack of consumer affordability given cost-recovery pricing policy, poor technical design, poor community control functions, mismatched NGO/private-sector roles and expectations, systematic inconsistencies with neighbouring government-subsidised water schemes, and lack of training and transfer prospects--that by 1999, the concept was in many areas

⁹⁴ The 1994 *White Paper* (op cit, p.19) considered the inequity between the new systems and those of the former Bantustans:

This will require a substantial revision of present policy since Government grants or "subsidies" have been given in the water sector for many years. These have generally been targeted at specific sectors of the population to promote policy objectives such as agricultural production in the commercial sector and the stabilisation of "separate development" structures.

Regrettably, the removal of the subsidies and replacement of inequity with equity at the lowest common denominator--nonfunctioning water systems where they exist at all--is now being implemented.

⁹⁵ See, e.g., S.Masia, J.Walker, N.Mkaza, I.Harmond, M.Walters, K.Gray and J.Doyen (1998), "External BoTT Review," Joint report by the Department of Water Affairs and Forestry, World Bank, British Department for International Development and Unicef, Pretoria, November.

⁹⁶ Department of Provincial and Local Government (1998), *Draft Regulatory Framework for Municipal Service Partnerships*, Pretoria, p.v.

evaluated as a "failure" with respect to implementation by DWAF and DPLG--whereby according to Masia *et al*, "The gaps between practice and policy have to be addressed head on lest the policies be invalidated"⁹⁷--and by a key NGO implementing agency, the Mvula Trust.⁹⁸

Thus within about four years of the advent of democracy, key political decision-makers within the South African state--at national and local levels--had been won over to what effectively amounted to creeping privatisation of core local services: rubbish removal, water works and even municipal electricity supply. The primary advocates of privatisation were the World Bank and its private sector investment arm, the International Finance Corporation (which in 1997 announced a \$25 million investment in Standard Bank's South Africa Infrastructure Fund, an explicit privatisation financing vehicle),⁹⁹ as well as local and international firms. Banque Paribas, Rand Merchant Bank, Colechurch International, the Development Bank of Southern Africa, Generale des Eaux, Metsi a Sechaba Holdings, Sauer International and Lyonnaise Water had all met with officials of Port Elizabeth, for example, by 1997, in the wake of a week-long 1996 World Bank study of the council's waterworks which suggested just one policy option: full privatisation.¹⁰⁰

Resistance emerged. Some came, logically, from the SA Municipal Workers Union and the Congress of SA Trade Unions, but in addition, from some of the more advanced civic groups and in places like Nelspruit, the SA Communist Party and ANC Youth League. In Johannesburg, the proposed iGoli2002 came under attack by a large coalition, with councilors and officials recording their concern.¹⁰¹ As the 1998 *Local Government White Paper* was being drafted, these concerns were flagged by Hemson in an international literature review:

corruption in the tendering and drawing up of contracts, particularly in the US; monopoly in the privatised service; higher user charges; inflated director's fees, share options, and management salaries; widescale retrenchments; and anti-union policies... The effects of privatisation bear most radically on the poorest in the community; there is widespread evidence of more cut-offs in service and generally a harsher attitude towards low-income "customers." Water in Britain is a case in point. Water and sewerage bills have increased by an average of 67% between 1989/90 and 1994/95, and during roughly the same period the rate of disconnections due to non-payment by 177%. The inflexibility and hostility which often characterised public utilities attitude towards non-payment has, over the same period, been replaced by an emphasis on pre-payment meters and "self-disconnection" as public goods have been commodified. Pre-payment metering is greatly advantageous to companies as the problem of poorer customers is avoided, there is a continuous revenue stream in advance of consumption, less of a "political" problem in confronting disconnections, and better form of debt recovery. Self-disconnection is education of consumption below the level consistent with health, safety and participation in normal community life. Surprisingly high number of self-disconnections for various periods of 49% by those using pre-payment devices in a trial period. Self-disconnection is associated with the reduction of consumption below the level consistent with health, safety and participation in normal community life. Studies have shown a surprisingly high number of self-disconnections of water supply for various periods by as much as 49% by those using pre-payment devices over a trial period. The most critical feature of privatisation, however, has been that cross-subsidies are rooted out after privatisation: those who need costly help have to pay for these services *directly* themselves... Rather than cross-subsidies there has been the introduction of "cost-reflective" pricing (in which prices reflect the particular costs associated with a particular

⁹⁷ *Op cit*, p.11.

⁹⁸ Karen Bakker (1998), "An Evaluation of Some Aspects of Mvula's Participation in BoTT," Unpublished paper, Oxford University Department of Geography, Oxford, September.

⁹⁹ African Development Bank (1997), "Investment Proposal: South Africa Infrastructure Investment Fund," ADB Private Sector Unit.

¹⁰⁰ Port Elizabeth Municipality (1998), "Report to the Management Team on Urban Water Demand Management," Report by the City Engineer, 11 March.

¹⁰¹ Opposition to privatisation of Johannesburg assets without due consultation led to the October 1999 firing of one councilor, Trevor Ngwane, who represented Soweto's Pimville ward.

customer) will end with greater differences in regional charges, the poorer paying more, and better off people with cheque accounts paying less with direct debits.¹⁰²

Many such problems were evident in South Africa. The early water-related PPPs--e.g., Queenstown (1992), Stutterheim (1994) and Fort Beaufort (1995)--suggest a penchant for long-term management contracts, entailing "delegation" of defined municipal functions for a ten, twenty-five or thirty year period. They include the operation, rehabilitation, maintenance, customer services and expansion of assets, which are, however, still owned by the municipalities. Contracts are flexible, allowing for the company to extend or upgrade facilities but with municipal or non-company finances. Unlike concession contracts, they involve less greenfield investment (such as extension of services to townships) and hence far lower risks for the successful bidder.

Companies like Water and Sanitation South Africa (WSSA, a Lyonnaise des Eaux/Group Five joint venture) promised to "render an affordable, cost effective and optimised service, implement effective consumer management" and ensure that customers are "willing and able to pay for services, while maximising revenue collection."¹⁰³ Benefits also allegedly include "a more dynamic business environment, increased productive investment, workplace democratisation, co-operation with small and micro enterprise, and more open and flexible management styles."¹⁰⁴ Yet in practice, in the Stutterheim pilot, water services were instead characterised by WSSA's failure to serve any of the 80% of the region's township residents (classic cherry-picking), mass cut-offs of water by the municipalities of township residents who could not afford payments, and the cooption of the main civic leader into WSSA's employ, thus effectively rendering silent any community protest.¹⁰⁵

DPLG considered some of the pilots too conservative, if anything, for failing to promote sufficient concessions to assure increased capital investments. DPLG officials identified constraints in the forms of legal obstacles and uncertainties with respect to contractual issues, tendering procedures, contract monitoring requirements and dispute resolution procedures. Management contracts were said to be "only advisable when more ambitious forms of private participation are considered undesirable." The suspicion was, simply, that "contractors with international linkages might engage in management contracts in order to secure a privileged position in subsequent initiatives" rather than for the sake of providing optimum services, with the effect of "sabotaging open competition."¹⁰⁶

Having raised these concerns, however, DPLG's Draft Guidelines for MSPs then proceeded to diminish the role of municipal workers by insisting that "a municipality must consult, but is not obligated to negotiate and reach agreement regarding the labour aspects of the transfer with employees or unions as a condition for being authorised to proceed with the transfer."¹⁰⁷ The SA Municipal Workers Union (Samwu) was, in fact, sufficiently powerful in generating public opposition to DPLG's plan and to participation by the British firm Biwater (the lead company behind Nelspruit's water contract), that such consultation became a national norm. As Samwu described it, "In December 1998, Cosatu and Samwu signed a framework agreement with the local government employer body, SA Local Government Association (Salga) around municipal service partnerships. The agreement was the product of months of negotiations. It concurs with national legislation that the public sector is the preferred deliverer of services and specifies that involvement of the private sector in service delivery should only be a very last resort--if there is no public sector provider willing or able to provide the service."¹⁰⁸

¹⁰² David Hemson (1997), "Privatisation, Public-Private Partnerships and Outsourcing: The Challenge to Local Governance," Paper presented to the *Local Government White Paper Research Process*, Johannesburg.

¹⁰³ Water and Sanitation South Africa (1995), "Standard Contract," Johannesburg, p.1.

¹⁰⁴ Water and Sanitation South Africa (1995), "The Delegated Management Concept," Johannesburg, p.1.

¹⁰⁵ Bond, P. (2000), *Cities of Gold, Townships of Coal*, Trenton, Africa World Press, Chapter 5.

¹⁰⁶ Department of Provincial and Local Government, *Draft Regulatory Framework for Municipal Service Partnerships*, op cit.

¹⁰⁷ *Ibid*, p.48.

¹⁰⁸ Anna Weekes (1999), "Letters of protest needed against the unilateral and bad faith privatisation of water in Dolphin Coast, South Africa to French transnational," Email communication, 6 February.

Here emerges the classical problem associated with "natural monopoly," namely the ability of a state institution to pass along implementation responsibilities while still holding control over basic services policy (e.g., on coverage, quality, access, cost, labour conditions, etc., all of which the private sector would ordinarily skimp on to the public's detriment). The propensity of a private firm to, for example, provide cross-subsidies and lifeline tariffs, is extremely low, as the World Bank explicitly warned Asmal in 1995--since sliding-scale tariffs favouring low-volume users "may limit options with respect to tertiary providers... in particular private concessions [would be] much harder to establish"--as part of a lobbying campaign to dissuade him from invoking cross-subsidies.¹⁰⁹

The extent to which a public monopoly is simply replaced by a private one gives rise to yet more concern. In late 1998, Lyonnaise des Eaux announced plans to establish multi-purpose utility monopolies covering water, sanitation, refuse, roads, cable TV and telephones, to be payable through a single bill, with Casablanca already witnessing the firm's pilot linkage of several privatised municipal services. Aware of this possibility, DPLG acknowledged that "The Competition Bill [of mid-1998] could create opportunities for consumers of municipal services to challenge various aspects of an MSP including tariff structures, tariff setting mechanisms and grants of monopoly rights to a service provider in both administrative and judicial forums"--but reassures firms that "the power of the Competition Tribunal to award costs to a respondent against whom a finding has been made may act to restrain consumers from initiating complaints."¹¹⁰

In other countries (beginning in France in 1985), the privatisation of water was at the very least done in a manner that deliberately distinguished retail provision from distribution, and also established geographical divides (the Left Bank going to Lyonnaise des Eaux and the Right Bank to General des Eaux), thus allowing for a compromise where there is still outside competition and scope for larger markets.¹¹¹ Indeed, this raises the question of whether water and energy should be managed at a local or regional level (i.e., along politico-administrative boundaries) or indeed based on geological, watershed/basin, or functional divides. Moreover, if water supply is separated from sewerage and roads, there is bound to be confusion, dislocation and diminished accountability. By fragmenting responsibility for road works, refuse removal and sanitation, residents will have to visit different company offices to register complaints, increasing the bureaucratic hurdles for consumers.

The thorniest questions are those bound up in politics and corruption, and hence are least transparently considered in DPLG and other official work. Many of the transnational services firms have dubious track records, and not just in the notorious kickbacks and bribes associated with privatisation in Eastern Europe, Indonesia and the like. Even in France, the mayor of the city of Grenoble was imprisoned for taking bribes from Lyonnaise des Eaux and its local partner.¹¹² Likewise in apartheid-era South Africa, WSSA (then called Aqua-gold) had a previous close association with repressive bantustan regimes beginning as early as 1987. This does not prove corruption in a commercial sense, but does show that unlike many other companies which disinvested, the French chose not only to stay but to accelerate their dealings with the most discredited elements of the apartheid regime. In several towns, WSSA signed agreements with unrepresentative white politicians and municipal administrations prior to democratic elections, and without going through a tender process.

¹⁰⁹ John Roome (1995), "Water Pricing and Management: World Bank Presentation to the SA Water Conservation Conference," Power-point presentation, South Africa, 2 October. This presentation was credited by the Bank as being decisive in shifting Minister Asmal's view towards water pricing. The presentation included the following other comments:

- Minister Asmal must ensure both urban and rural municipalities establish a "credible threat of cutting service" to non-paying residents;
- he should be "very careful about irrigation for 'previously disadvantaged' South Africans"; and instead
- the "key lies in voluntary solutions--trading water rights," assuming that emergent black farmers could compete financially with the larger (and historically-subsidised) white commercial enterprises.

¹¹⁰ Department of Provincial and Local Government, *Draft Regulatory Framework for Municipal Service Partnerships*, op cit, p.56.

¹¹¹ D. Lorrain (1997), "France: The Silent Change," in D.Lorrain and M.Stoker (Eds), *The Privatisation of Urban Services in Europe*, London, p.117.

¹¹² J.L. Barsock (1997), "Elitism in Action," *French Management*.

Finally, if the "basic rationale" for privatisation is that "MSP projects can save or avoid municipal expenditures,"¹¹³ it should also be considered that a municipality has enormous burdens once a contract is signed: monitoring the concessionaire or contractor; undertaking expensive litigation in the event of disputes; establishing reliable, independent sources of information; and bearing the political and financial costs of failure. Typically, the municipality is prevented from taking direct action on complaints.

Cholera and free water

The rights of citizens to water access became an extraordinary crisis in late 2000, when cholera spread across the country from an outbreak in the Ngwelezane area of rural KwaZulu-Natal, near Empangeni. The officials most responsible were, according to reports, the acting chief executive of Mhlathuze Water Board and the chief executive of the Uthungulu Regional Council, who together authorised the cut-off of a 17-year old free water supply in August 2000, and then charged R51 (US\$6.50) in connection fees for access to a pre-paid water meter, which only a third of Ngwelezane households could afford. According to a Human Rights Commission investigator,

The impact of the Mhlathuze Water Board's cost recovery policy on water has been dire, and more than 15 cholera deaths have been reported from the areas. In short, people who previously enjoyed free water are now unable to afford it, and many of the standpipes are too far away from elderly residents.¹¹⁴

Partly as a result, African National Congress leaders identified water as a profound development dilemma, and promised to end the government's commitment to a market-oriented policy. They may have been encouraged by the October 2000 decision of the Constitutional Court, in favour of an impoverished Western Cape community led by Irene Grootboom. Grootboom and her colleagues won the right, according to the Court, to live in a municipality (in this case, Wallacedene, run by the main opposition party, the Democratic Alliance) whose plans for social services included emergency services for the poor. The ANC thus announced 6,000 litres per person per day would be given free to all municipal residents, and in the December 2000 municipal elections the ruling party won 60% of the vote (down about 7% from their 1999 national victory, on much lower turnout--but still, a surprisingly good showing).

Specifically, the ANC manifesto promised that "ANC-led local government will provide all residents with a free basic amount of water, electricity and other municipal services, so as to help the poor. Those who use more than the basic amounts will pay for the extra they use." For the wealthy to thereby cross-subsidise the poor--presumably at both municipal and national levels (since many ex-homeland municipalities don't have rich residents, and will require ongoing national grants)--is the only way to ensure access to all, backed by the ability of low-income citizens to bring municipal officials into court if they don't deliver the free lifeline supply.

There remain detailed problems with the ANC's promise of 6 000 free kilolitres per household per month. The use of "household" instead of "person" favours small homes--the classic "double-income, no kid" yuppies--over large families dependent upon a grandmother's pension. And the ANC failure to meet the RDP medium-term target of 50-60 litres per person per day (six kilolitres per month is around half the RDP target) is worrying, limiting poor people to the equivalent of two toilet flushes a day. Still, the ANC's cross-subsidy breakthrough is long overdue.

Better services and alternative service delivery vehicles?

The analysis presented above is extremely critical of policy, programmes and projects associated with water services delivery in post-apartheid South Africa. This is not mere intellectual critique, for unless substantial changes are made, grassroots and shopfloor resistance to inadequate infrastructure and privatised service delivery can be expected to continue. Is there, in addition to resistance, a constructive alternative based on, first, a justification for higher levels of services, and second, worker self-managed and community-controlled delivery vehicles?

Recall that the justification for higher service levels than are currently provided hinges on several kinds of broad-based economic multipliers associated with infrastructure and services; benefits to women associated with infrastructure and services; environmental issues associated with infrastructure and services; public health

¹¹³ Department of Provincial and Local Government, *Draft Regulatory Framework for Municipal Service Partnerships*, op cit, p.74.

¹¹⁴ Asmal, E. (2001), "Cholera Crisis Contains a Timebomb," *Sunday Independent*, 21 January.

benefits associated with infrastructure and services; and geographical issues associated with infrastructure and services.¹¹⁵

- There are three main types of economic multipliers that relate to expanded water services: construction-related job creation; literacy and productivity enhancement; and small business promotion particularly in the form of water infrastructure for small-scale irrigation purposes.
- In South Africa, as elsewhere in the developing world, women are the primary care-givers and homemakers, and hence the benefits of water infrastructure and service delivery are disproportionately felt by women, and likewise the burden of inadequate standards of infrastructure also fall upon women.¹¹⁶
- A variety of themes have emerged in infrastructure research related to South Africa's fragile ecology. Water-related issues include sewage-service levels, the negative environmental consequences associated with increased water supply, the importance of water-drainage systems, and issues surrounding water-quality treatment.
- The key component of calculations associated with health and infrastructure is the cost of communicable diseases related to inadequate water supply and sanitation. Incremental improvements in sanitation result in incremental improvements in health, but substantial improvements in both water and sanitation produce much larger impacts than either alone.¹¹⁷
- Finally, developmental municipal planning is required to direct the structure, size, composition, and location of infrastructure and housing so as to promote social and economic residential integration, not segregation as occurs presently. As a result, access would improve, for low-income people, to education, transport, recreation, and the like, which in turn would provide a dramatic boost to many of the other positive externalities discussed above.

¹¹⁵ Citations for all the following information are extensive; they can be accessed through the various research papers associated with the Municipal Services Project, at <http://www.queensu.ca/msp>.

¹¹⁶ To take one example, time savings due to the nearness and availability of an improved water source has been reported to lead to more time for child care, including breastfeeding and better food preparation. Time saved could be used for agricultural or income-generation activities which could result in better family health. In addition, women's savings in energy expenditure from bringing water closer to households results in reduced incidence of low-birth-weight babies born as well as a corresponding reduction in energy intake which could be transferred to children.

¹¹⁷ Health benefits from improved water supplies only appear when improved sanitation is present and only when water is provided on the premises or inside the house. Communal water facilities have been shown to have no or little health impact or in some cases worsen the situation. Water provision without adequate wastewater disposal provision, such as that provided by water-borne sanitation, may be a health hazard in itself. The quantity of water is almost more important than water quality for household health production. For this reason the provision of private household or yard taps is crucial, as distance to the water source is the most important factor affecting the quantity of water used by households. For better health impact, improved water and sanitation and better hygiene behavior are required. In addition, indirect health benefits will also result in substantial savings due to the release of time, particularly women's time.

These are some of the grounds used to justify higher service standards. As noted above, there are sufficient budgetary resources available to the South African state; other states in Eastern and Southern Africa would have much tougher challenges in meeting their citizenry's basic infrastructural—even simple potable-water and sanitation—needs, and dramatic increases in (thoroughly redesigned) foreign aid would be necessary to meet minimal World Health Organisation standards within the foreseeable future. But once redistributive processes are identified, whether from internal or external sources, the institutional implications must be urgently tackled.

Alternative service delivery vehicles have, in South Africa at last, interesting precedents. South Africa's own experience with community trusts includes formal and informal cooperatives devoted to a variety of activities. To illustrate, financial sector mutual associations—especially building societies that originally were vital for working-class people in the absence of other credit-granting institutions, and insurance firms—prospered so well since their introduction more than a century ago that they were recently demutualised to the enormous benefit of current shareholders.

In general, South African cooperatives have had a mixed record; those catalysed and supported by the state fared well, while others forced to operate in a context of declining subsidies and marginal economic activity have struggled to even survive. In the former category, there were by 1994 250 major agricultural cooperatives, with 142,000 mainly white members (assets exceeded R12 billion, turnover was over R22 billion and pretax earnings were more than R500 million that year). These cooperatives originated in land and agricultural protection for white (often Afrikaans) farming, dating to the 1920s, and they dominated agricultural marketing activity. A related group of black-oriented producer cooperatives—as many as 215 by 1994—had grown up during apartheid in the black "bantustans," but had little legitimacy or commercial success as a result partly of political factors (including corruption), but also because the economic basis for their success in most bantustan settings was missing and subsidies were poorly designed or inadequate.

A different set of community trusts emerged from the bottom up. The numerous cooperatives founded by activists in the liberation movement or ordinary people in their daily lives are also worth noting. These include enterprises such as the celebrated metalworkers union cooperative in Howick or tightly-networked rural coops set up by retrenched mineworkers (the latter were converted to small enterprises in 1995 because there was insufficient economic activity to justify collective activity). On a larger scale, a variety of cooperatives exist within society, associated with savings and credit (stokvels and burial societies), transport (coop taxis), housing, and church-based activities. Trade unions have also embraced diverse opportunities to assist cooperatives.

In sum, in areas associated with municipal utility functions there are important precedents for introducing community trusts to municipalities undergoing restructuring. The intellectual merits of diverse kinds of trusts based on the theory of market failure, are matched by the reality that in numerous areas of state service provision, non-profit cooperatives may be the only kinds of enterprises willing to reach out to sectors of the population for which markets are uneconomic. Municipal support for community trusts is vital, including provision of venture capital, technical expertise (business planning), and marketing information/linkages. Ultimately, however, the broader transformation of South African society also entails a state commitment to investment in "social capital," which is where the combination of worker self-managed, community-controlled trusts may have its greatest potential.

It is vital to reiterate, here, that such social-capital investment is not envisaged as a replacement for municipal services delivery, but as a means of augmenting popular involvement and worker self-management. To assure social capital is used in a positive, developmental manner, not as a means of state-shrinking, requires resources surgically aimed at capacity-building through organisational development. According to the South African government's September 1994 *White Paper on Reconstruction and Development*:

Capacity-building is required in civil society to ensure effective participation in RDP implementation... There will be financial support to civics and other community-based organisations during the course of an RDP campaign to establish Local Government legitimacy and hence improve both service delivery and user payments. Development projects such as those funded through the National Public Works Programme (with a business-labour-community commitment to labour-based construction methods) will also contain a far greater training and capacity-building component, with women targeted as beneficiaries. The Public Service Training Institute will make its resources available to civil society in addition to the civil service... Organisations of civil society should continue to have the choice of access to alternative sources of services such as policy research so that they are not completely dependent on Government. In addition, community-based development organisations will receive more extensive financial and logistical support once representativity, accountability and effectiveness are confirmed.¹¹⁸

The nature of capacity-building support is crucial. What, explicitly, do community organisations require funding for? According to one network of CBOs, the SA National Civic Organisation, capacity-building support is multifaceted:

¹¹⁸ Republic of South Africa (1994), *White Paper on Reconstruction and Development*, Cape Town, Office of Reconstruction and Development in the Office of the President, 7.6.1.

Capacity building has become a popular part of the jargon of development agencies, but they tend to consider it to be visits by "facilitators" and a few weekend workshops. Capacity building does require this, but it also requires much more. It always requires hiring someone locally as a community organiser. It also means training in management, financial control and bookkeeping skills that cannot be passed on in a weekend; this typically requires one to three month courses. Capacity building demands support and training which continues after the construction is done to ensure that management and maintenance skills are learned. Capacity building support might include vouchers for special training courses, for example for bookkeeping or management. Finally, capacity-building requires time--for long meetings where people learn to take control, for the initial slowness in all processes as people gain experience, and for the local recognition of what skills are needed and what further training is required... In future, capacity building finance must be seen as essential and as a right. We must curb the power of unelected gatekeepers. The challenge for the new government will be to develop mechanisms which are simple, quick, transparent and efficient, while preventing corruption and ensuring broad participation.¹¹⁹

There are a variety of options available for funding community organisations. In addition to membership fees and private funding arrangements, there are four general strategies that Government can consider to help meet the objective of investing in social capital. Each has several pros and cons, and the following brief descriptions are only meant to begin teasing out some of these. A more detailed discussion--along with measures to test efficacy and popularity--should still occur amongst various stakeholders with community funding experience.

First, straight grants or in-kind support (free office space, phone, fax, electricity, water, etc) can be given to a community organisation. At national level, the new National Development Agency will attempt to secure resources. There have been many complaints by community organisations about such channels in the past, including their reliability, their political biases and the dependency relations they sometimes foster.

Second, grants for capacity-building can be linked to projects (usually on a percentage basis). In some cases, the Independent Development Trust factored in an additional 7,5 % of total costs for local capacity-building in its rural drought relief projects. Three criticisms made were that the 7,5 % was insufficient to deliver sufficient resources to community beneficiaries; the nature of such funding was not controlled by communities, and often evaporated into the pockets of high-priced consultants; and even the insufficient funding caused dependency relations to emerge. It is possible that the increase from 5 to 10% of project funding for capacity building will alleviate that criticism, so long as consultants are minimised.

Third, a system can be established such that money can be channelled to community organisations based on their popularity in a given geographical area, through giving some percentage of a local tax or tariff to the organisation according to the financial votes of those paying. In Gauteng and Mpumalanga townships, such systems were discussed and a few attempts were made at implementation during the early 1990s. There are many potential models for such a system, but optimally, ratepayers are given a list of community organisations to which a monthly R2 contribution (either voluntary or mandatory) could be channelled to, as part of their bill. They would make a check mark on their bill to indicate their first, second and third priorities. The organisations listed would be chosen on the basis of a formal non-profit status and ability to use publicly-generated funds transparently and accountably. The organisations would have the responsibility to tell constituents why they should receive funding support, and what such funds would be used for. The process could be repeated on a biannual or annual basis to ensure that if failure occurs, funds can be rerouted--by popular mandate--to other organisations.

Fourth, organisations can be provided with the ability to use existing government resources--such as inserting short pamphlets in official mailings, which would not add to the mailing costs--from agencies (especially municipalities) so as to make direct appeals for funds.

Each of the four options has been tried in South Africa and other countries, and each has costs and benefits. It is obviously desirable to test the support of each option with a variety of stakeholders involved in community funding. The question arises as to which options are preferable to community organisations, to funding agencies, to ordinary citizens, and to direct beneficiaries. Each has somewhat different interests. Focus group discussions in each municipality to establish the local sentiment would be optimal. Simple polling may be a second-best approach. Finally, a trial-and-error method in which all options are introduced under "control group" circumstances may also be appropriate.

The existing system for funding development organisations has not worked, partly because it has not been aimed at capacity-building for participation in municipal services delivery but also because funds have been too few and far between. The community organisations that fought hard for non-racial, non-sexist democracy in South Africa have a right to expect funding support as an entitlement. Such support can enhance the delivery of goods and services, as well as strengthen the social capital and the community fabric within a municipality. There is little question but that funding support for community organisations is in the interest of society as a whole. It is also a crucial prerequisite to ensuring the people-driven character of development more generally.

¹¹⁹ South African National Civic Organisation (1994), *Making People-Driven Development Work*, Johannesburg, SANCO.

To conclude, at least provisionally, the existing systems, policies, programmes and projects for delivery of water are not effective. The vast positive multipliers associated with the public-good characteristics of services and infrastructure are not being achieved. There are possibilities for tapping worker and community energy through alternative service delivery vehicles, but only if sufficient arms-length funding is provided to ensure that these have sufficient capacity and organisational coherence.

These arguments relate not merely to a single case of social policy and service delivery in a single country. The more general aspects of public-people partnerships can be considered, using international experiences and theory.¹²⁰

¹²⁰ See the original paper's Appendix 2.